Taschereau Government Battles for Life (Page 13)

THE FINANCIAL POST

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The Nation's Business

Annuity Scheme Rests on Infirm Foundation

Publishing as a Great Industry

Municipal Laws On Construction Are Obsolete

Grand Trunk Case

British Investor and Canada

Annuities and Old Age Pensions

THE actuary of the federal government insurance department—A. D. Watson—has at last brought official evidence before Ottawa legislators as to the financial iniquities and inequities of the existing government annuities scheme. His findings, which parallel closely the investigations made and published over a term of years by The Financial Post, condemn the existing set-up because of obsolete mortality tables and because of the thoroughly unsound way in which the finances of the department have been administered.

Mr. Watson says that on the $21 millions of new money taken in during 1935-36 alone, the loss to the government will be about $5 millions, and that a 25 per cent increase in rates is necessary to make the system self-sustaining.

It is particularly fitting that Mr. Watson should have made these findings for the committee, since he can in no sense be accused of being biassed in favor of private companies with whom the federal government plan has come into competition. The Financial Post has received scores of letters in recent years accusing it of having been the spokesman of the big life companies in carrying out its annuity reform campaign. Now the evidence should be clear that reform of the annuity branch is simply a matter of good business and common sense on the basis that any business operation should be conducted with properly kept books and accounts.

* * *

THESE two points emphasized by Mr. Watson should be the foundation stone on which any continuance of the federal annuity branch on a business basis is countenanced. Nevertheless, there is the larger question of whether or not the government wishes to continue the sale of small annuities at less than cost as a measure of social benefit and with a view to encouraging thrift and offsetting the spread of old age pensions.

If the approach is to be from the social angle, then let it be so. But that involves a rational study of the larger problem of old age dependency. At the present time the annuities are bought very largely by wealthy men who do not need a government subsidy for their thrift but who know a bargain when they see it. And there is no evidence that the annuities have in any way helped to stem the growth of old age pensions.

Mr. Bennett once proposed a scheme of contributory old age pensions. At the present time we have two things quite different from such a plan. We have a scheme of government annuities which is run on unsound actuarial lines and which is not skimming the surface of the problem of old age dependency. And we have a scheme of old age pensions under which no contribution is asked, during earning years, of those who later receive their payments from the taxpayers. Either taken together or taken separately the two schemes do not make sense.

* * *

Playing Fair Would Be Good Business

CANADA'S magazines and periodicals represent three things.

They are the contemporary literature of the nation and a primary means of adult education in matters of national development.

Their editorial and advertising pages are channels of commercial and business news.

Their production itself constitutes a great industry.

From all three standpoints they are worthy of the fair treatment they are now asking of Ottawa. The Financial Post has repeatedly stated the case for developing our own national literature and for giving the advertising of Canadian products an even break with the advertising of foreign products in this market. Less has been said of the contribution of periodical publishing to employment.

About one-fifth of the expenditure made by national magazines in Canada is for paper. This is their chief raw material.

They take this paper, process it, give employment to writers, artists, editors, printers, salesmen and office help, and purchase supplies such as engravings, ink, etc., to an amount four times the value of the paper.

For every $1 spent on paper, $4 is spent in Canada on giving employment to workmen in the proportion of about three employees in the publisher's plant itself and one

(Continued on page 2, col. 4)

$4.49 a Share For McIntyre; Grade Lower

Financial Position of Porcupine Producer Best in Its History

Earnings of about $4.49 per share, as compared with $4.63 in the 1935 fiscal year, are shown in the annual report of McIntyre Porcupine Mines for the fiscal year ended March 31, 1936.

Estimated and broken ore reserves at the end of the period totalled 3,574,720 tons, averaging .312 ounces per ton, or having a total value of $38,909,850 with gold at $35 per ounce.

During the year, deeper mining and the opening up of old areas for re-examination and further development, so that full advantage might be taken of higher gold prices added the unit costs. The average grade of ore treated was somewhat lower than in the previous year.

Offsetting slightly decreased earnings, due to this lower grade, the market value of the company's investments increased substantially, and the company's financial position showed greater improvement during the year than in any previous period.

R. J. Ennis, general manager, reports that in the 1936 fiscal year, some 57 properties were sampled and favorable recommendations made on six. Drilling on the Chibougamau properties did not confirm surface samplings and the options were allowed to lapse.

Highlights

"Beat Taschereau"

Quebec opposition of Liberals, Conservatives and Independents unite against government in bitter political campaign. Page 13

Argentine Wheat

South American republic to spend $28 millions on new terminals and country elevators. May end Argentine price policy of dumping. Page 11

Construction Stocks

Deferred demand for building materials and durable goods may have important investment significance over next five years. Page 24

MacLeod-Cockshutt "Profits"

Joseph Errington's 350,000 shares are still in his safe, he says, denying reports of a $1 million profit. Page 23

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Have Identified Pamphlet Writer

From Our Own Correspondent

OTTAWA.—While the author of the anonymous anti-Dunning pamphlet, now in circulation, may never be publicly known, investigations exonerate any member of parliament or group of members from the authorship.

It is now fairly well known that the author of the pamphlet is a Montrealer with a well-known penchant for this kind of writing. He has been in trouble before over printing libels. No action is being considered here.

MEMORIES OF 1912

Two workmen, pressing heavily on steel crow-bars, split open the cornerstone of the Toronto Stock Exchange building on Bay Street, Toronto, last week, and while exchange officials looked on, brought to light a copper metal box.

Amid the debris of the building, being demolished to make way for a new and larger exchange, the copper box was passed from hand to hand. Hermetically sealed, it looked exactly the same as it did on September 26, 1912, when it was ceremoniously placed inside the cornerstone of the then new and imposing stock exchange structure.

Chisel blows along the edge loosened the top of the container, revealing its contents as a quart glass bottle. Papers lay inside with photographs of the exchange building, retiring President F. H. Brouse (1912) and President-elect F. Gordon Osler (1912) of the stock exchange.

Souvenirs of 1912

Other souvenirs were copies of the exchange's incorporation papers, by-laws, an exchange quotation sheet of September, 1912, newspapers, a 1912 five cent piece and a 1904 cent, removed from the bottle by 1936 President of the Exchange Gordon W. Nicholson (shown above).

Scanning the quotation list, exchange officials marvelled at the changes in security values since 1912. Dome sold at $16—just another gold mine—and it is now around $58, while Brazilian Traction, blue chip of the conservative investment field in 1912 was quoted at $95.25. The price is now about $13. National Steel Car at $33 was among the few to show relatively little net change in 24 years.

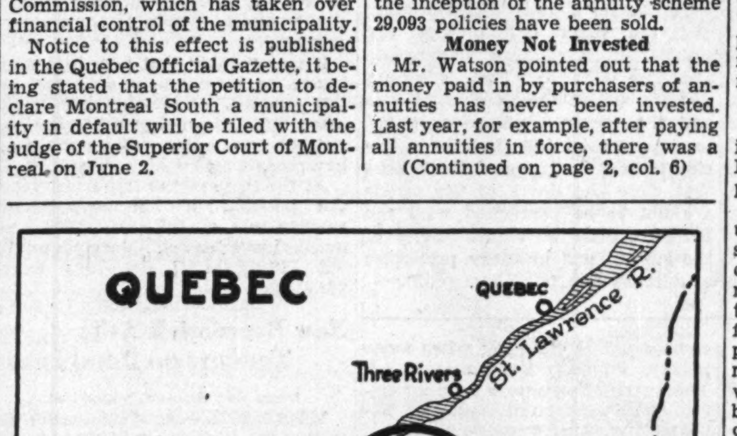
Prominent brokers, members of the exchange who saw the cornerstone laid in 1912 were on hand. They included Col. George Mitchell, George W. Blaikie, R. R. Bongard, Col F. H. Deacon. Contents of the cornerstone, with future relics of 1936 are scheduled to go into the cornerstone of the new building which will house the now merged Toronto Stock Exchange and former Standard Stock and Mining Exchange, on the same site.

Montreal South Defaults; Commission to Take Over

From Our Own Correspondent

MONTREAL.—Town of Montreal South, having defaulted in payment of bond principal and interest, will be declared a "defaulting" municipality by the Quebec Municipal Commission, which has taken over financial control of the municipality.

Notice to this effect is published in the Quebec Official Gazette, it being stated that the petition to declare Montreal South a municipality in default will be filed with the judge of the Superior Court of Montreal on June 2.



MONTREAL-NEW YORK CANAL

Proposals for a canal to link Lake Champlain with the St. Lawrence River, by which a direct inland waterway would be established between Montreal and New York, via the Albany River, are being advanced at Ottawa. The project favored is to use the Richelieu River from Lake Champlain to the St. Lawrence, which is paralleled a part of the distance by an old canal which it is proposed to deepen, widen and modernize, and to dredge those sections of the river where the old canal does not exist.

Other proposals involve a 12-foot deep canal from Lake Champlain to Lake St. Louis, west of Montreal on the St. Lawrence, the building of a canal from St. Johns on the Richelieu River to Laprairie, a few miles west of Montreal, and a fourth to build a canal from Chambly, north of St. Johns on the Richelieu, to Laprairie. Lake Champlain, it is almost entirely in United States territory.

Gov't Annuity System Shows Grave Errors

Federal Actuary Indicts Operation With Glaring Discrepancies

FUTURE UNCERTAIN

From Our Own Correspondent

OTTAWA.—On two counts the Dominion annuity scheme has been badly damaged by evidence taken by the Senate committee of enquiry and if it were not for special circumstances presently existing, radical amendments in this statute to boost rates to annuitants 25 per cent and to change, completely, the government system of administration would be certain.

In changing rates, of course, it is recognized that present annuitants hold contracts with the government which cannot be varied. Changes would apply on new business.

The special circumstances operating in favor of the continuation of the policy are that it was organized in the Labor Department during the Mackenzie King régime 1908-11 and has always been warmly supported by him; the second is that it has heretofore been reported as a policy which can be justified on humane, social grounds.

Two Major Indictments

The two facts which have tended, decidedly, to shake confidence of legislators in the existing annuities scheme are these:

(1) The government system has been operating on mortality tables based upon annuities experience in Great Britain in the 30 years 1863-93. The life span has lengthened considerably since that time and, it is suggested, there ought to have been a corresponding increase in premiums to cover this greater risk.

(2) The government has never administered the annuities in a business-like manner, setting up a special fund and paying interest on the capital sums collected from annuity purchasers. Premiums have been used to defray annual expenditures and purchase balance has been treated as ordinary revenue.

Actuary's Report

These facts emerged from evidence given to the Senate committee last week by A. D. Watson, chief actuary of the Insurance Branch of the Department of Finance. Before coming to a decision, the committee will call and hear other actuaries but it seems unlikely that the basic charge now standing against the government annuity system—that it is unsound both in principle and administration—can be answered.

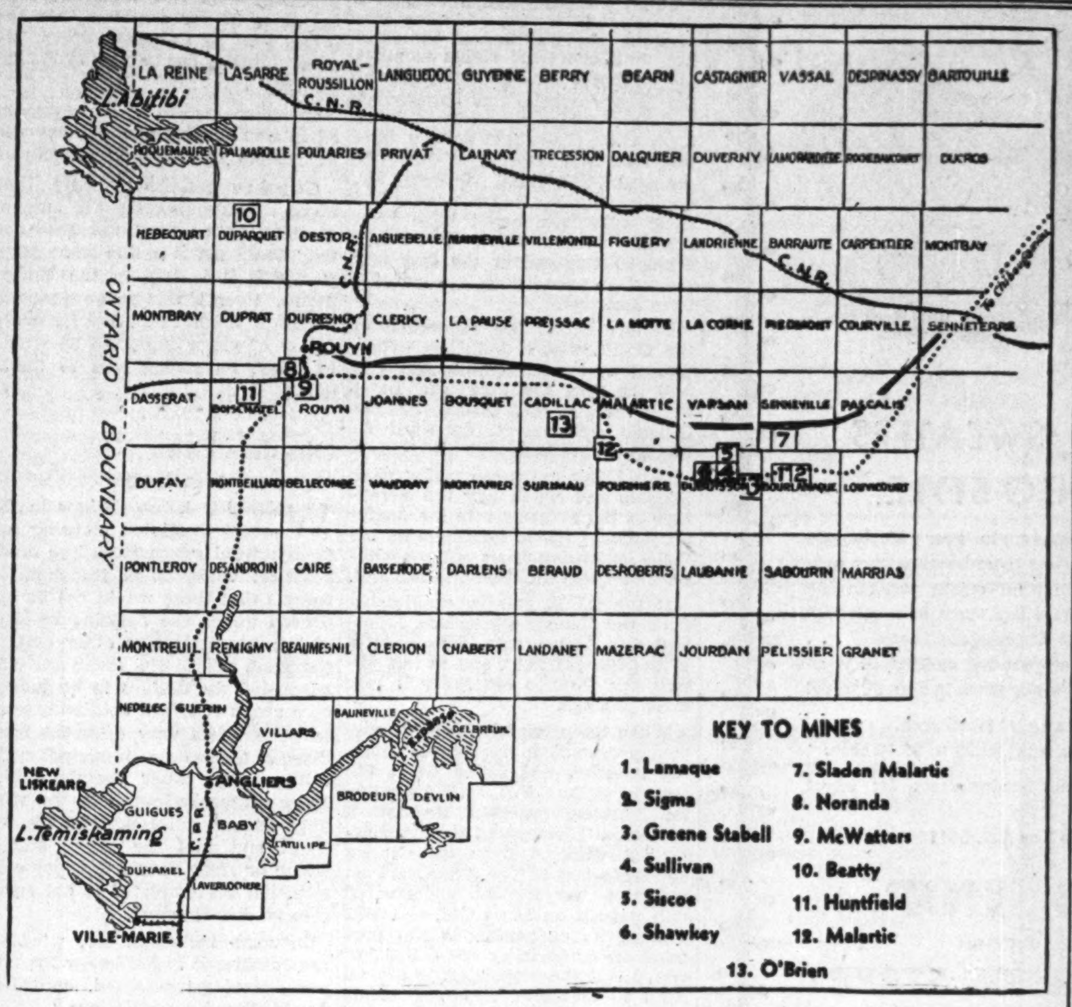
Mr. Watson estimated that a 25 per cent increase in rates would be necessary to make the system self-sustaining; to relieve the treasury from loss. He pointed out that the chief purpose in founding the scheme, back in 1908, had not been realized. At that time the drive for old age pensions was beginning and the government of the day believed that a government annuity policy might head it off. The thing to do was to make annuities available to the public at cost and thereafter to hold individuals responsible if they failed to take advantage of it and reached old age without sufficient money to take care of themselves.

Despite the annuity system, launched in 1908, the drive for old age pensions continued and succeeded in 1926. In the ten years which have since passed, many more elderly persons have cashed in on the old age pension policy than have sought to look after themselves through purchase of annuities. Since the inception of the annuity scheme 29,093 policies have been sold.

Money Not Invested

Mr. Watson pointed out that the money paid in by purchasers of annuities has never been invested. Last year, for example, after paying all annuities in force, there was a

(Continued on page 2, col. 6)



SCENE OF BITTER RAIL DISPUTE

Following application of the C.P.R. for a charter to construct a line through Quebec gold fields to Lake Chibougamau, the Canadian National Railways has announced its intention of circumventing this move by construction of an extension from the transcontinental line, from Senneterre to Rouyn. No mention is made by the C.N.R. of a line into Lake Chibougamau, where Consolidated Mining & Smelting Co., controlled by the C.P.R., is developing an interesting group. The map above shows the various routes involved in the discussion identified as follows:

- ●●● Proposed C.N.R. line
- ●●● Proposed C.P.R. line
- +++ Existing lines

American Businessmen Look Ahead Confidently

See Roosevelt Re-elected With Reduced Following

By JOHN E. LANGDON

NEW YORK. — Re-election of President Franklin D. Roosevelt; further social legislation; no immediate danger of currency inflation or dollar devaluation; further improvement in business and a stronger stock and bond market are anticipated in the United States over the months immediately ahead by businessmen, bankers, economists and others who have given thought to the political and economic situation.

Financial and business interests continue outspoken in their criticism of the present administration and its policies. Undoubtedly they have been unsettling, but conditions have improved substantially and along Wall Street credit is given to natural developments helped by sound business principles rather than the "theories" of the government advisers.

Lukewarm to Politics

The coming presidential election is a matter of less widespread interest than might be expected, business having become reconciled to the accepted fact that Roosevelt will be re-elected, though with less support in Congress than has been the case heretofore. Further it is thought that with business improving steadily, Roosevelt will be inclined to moderate his "experiments" during his second term of office. This belief is backed up by recent Supreme Court decisions on the unconstitutional character of certain recent important legislation, coupled with the repeated failures in economic planning by the federal government.

Unemployed Serious Problem

However, one of the most prominent investment counsel firms in New York expresses its views on the political situation as follows:

"The large number of people still unemployed constitutes the most serious economic and social problem confronting the country, and by its nature constitutes the most important political issue as well. Therefore, it seems probable that campaign speeches for the next several months by Democratic candidates will be unfriendly in tone toward business and capital. However, checks with business executives in various parts of the country indicate that their interest is centred primarily on increased production because they see profits ahead. As a rule, they are no longer seriously concerned about election results or political uncertainties."

This view undoubtedly prevails among the majority, but there is a small but important section of "Big Business" which believes firmly that Roosevelt will continue to carry on with his social legislation.

See More Socialism

The head of one large financial institution in speaking to The Financial Post on this subject said:

"Many of our industrialists and financiers do not fully realize Roosevelt's determination to further his socialistic programme. While the Supreme Court has ruled out some of his legislation, other acts will be passed to conform with the constitution. The trend of legislation in this country is definitely socialistic. We like to think that the present administration is radical, but countries such as England, France, Italy, Germany and others have gone much farther along the road of Socialism than we have. In the past our legislation has favored the individual, but in the future it will favor the state."

No Nearby Inflation Danger

In so far as the Roosevelt policies have involved the country in enormous expenditures. The dollar already has been devalued to about 60 per cent of its former value, and, with the plans in mind, expectation is that the federal government will undertake further inflation through the issuance of additional currency or again devaluating the dollar.

The views of financiers and bankers on currency inflation or further devaluation of the dollar are much the same; no nearby danger of such developments resulting from present unbalanced position of the federal budget. There is strong faith in the credit of the United States government and that the government will continue to be able, for as long as may be necessary, to finance its excess expenditures by the sale of government bonds.

Business Moves Ahead

The lack of concern over the political outlook and further adjust-

(Continued on page 2, col. 3)

Bonus Planned To Create Jobs

From Our Own Correspondent

OTTAWA.—The National Employment Commission has been allotted office space and will get down to work early next week.

The chairman, Arthur B. Purvis, has already been busy in laying plans for the activities of the commission, but no decisions will be made until the members reach Ottawa and the organization proceedings have been completed.

One of the first tasks to be undertaken by the commission, it is understood, will be to develop the apprenticeship policy, whereby the government will pay a small bonus to industries to take on young men presently out of work.

Walker Sells Distillery Used Awhile in Peoria

Hiram Walker-Gooderham & Worts, Ltd., has sold to Peoria Distillers, Inc., the Peoria distillery which was operated by Hiram Walker & Sons from November, 1933, to June, 1934, during construction of the modern distillery now in full swing. Land, buildings and practically all of the equipment operated in this distillery were sold. Price is not stated.

Under Walker management the plant for 6½ months produced an average of more than 100 barrels of rye and Bourbon whisky a day. The new firm has sold stock and is using the proceeds to expand the plant production to 200 barrels daily and to provide warehousing.

OPTION STARTED AT 35 CTS.

In an article dealing with stock options held by Joseph Errington on MacLeod Cockshutt Gold Mines shares, appearing on this page of last week's issue of The Financial Post, the price of the first block of stock should have been 35 cents per share.

The context of the article, which showed the average price of the options to be about 47 cents per share, was, of course, correct and the typographical error was probably noticed by most Post readers.

Regret Move Of Australia

But Canadian Trade May Not Feel Effect of New Tariff

From Our Own Correspondent

OTTAWA.—While Canada's export trade does not appear to be injured by the recent increases in the Australian tariff, there is general regret at Ottawa over the fact that the Australian government has seen fit to pursue further the policy of economic nationalism. Australia is the first British country to adopt the system of import by license.

The reports emanating from Ottawa that negotiations between Canada and Australia for a renewal of the trade treaty entered into in 1932 are to begin in the near future are untrue. Hon. W. D. Euler does not plan to go to London to discuss a new treaty with Dr. Earle Page, member of the Australian government, but Mr. Page is leaving almost immediately for home.

Negotiations for the renewal of the treaties with Australia and New Zealand will be launched in due course by the Ottawa government. It is believed that separate negotiations will be carried on with the other governments of the Empire and that most of the work can be done through existing diplomatic and governmental channels.

Week's Figures Reveal Gains

Most business factors made a highly satisfactory showing in April, according to figures released during the past week. The Financial Post business index made the first gain in three months and is now 8.7 per cent above corresponding figures for 1935.

Summary data appear below while complete reports will be found on page 7.

Monthly	April	—Change— From prev. period	From prev. year
Pig iron prod., tons	54,045	— 1	+24
Steel ingots, tons	107,220	+ 6	+57
Elec. pwr. output	*2,163,717	+ 1	+15
Bank debits	*2,773,756	+ 6	+17
Wool imp., lb.	1,669,928	—56	—10
Raw cotton imp., lb.	7,122,912	—47	—19
Cotton yarn imp., lb.	340,924	—30	—15
Auto. prod., No.	24,951	+38	+ 3
Petroleum imp., gal.	54,142,896	—16	+34
Crude rubber imp., lb.	2,411,012	—40	+ 1
Elec. power prod.	†2,163,717	+ 1	+15
Weekly:			
Car loadings, No.	44,928	— 4	+ 3
Cattle sales, No.	15,738	+ 5	+31
Hog sales, No.	15,628	—17	+ 9

* 000's omitted. † 000 kw.h.

Price Bros.' Petition Delayed Another Week

From Our Own Correspondent

MONTREAL.—For the third time presentation of a petition by the trustee of Price Bros. and Co., asking if a contrary vote by one creditor can block reorganization plans already approved by shareholders, has been delayed by the Court until the end of this week.

Saguenay Power Co. and Pacona Ltd. are making a written brief as to the reasons why the former, as the second largest creditor, voted against the plan. The delays have been asked by lawyers for the power company.

Potent Forces Tangling Over Rail Building

Traffic Control of Quebec Mineral Area Seen at Stake

PAST RE-LIVES

What promises to be one of the bitterest fights ever waged between Quebec and Ontario interests is gathering around the application of the Canadian Pacific Railways for a charter to build a line from Anglers to Rouyn, and through the Quebec gold belt to Lake Chibougamau.

The dispute has not been made less bitter by the action of the C.N.R. in announcing plans for its own line into the field.

It is a dispute with many angles, any one of which is capable of becoming a sizable weapon if wielded properly.

Most important angle of all involves the fiscal "control" of the Quebec mining fields, and the ever growing amount of traffic entering the area. At the present time most of this traffic enters the Quebec field via the C.N.R. from Toronto to North Bay, and via the Temiskaming and Northern Ontario, and its subsidiary, the Nipissing Central, through Kirkland Lake. The route from Quebec, over C.N.R. lines, is a roundabout one, and is utilized only by those entering the field from the east.

With this set-up, it is obvious that Ontario and Toronto have the upper hand, as the gateway not only to Ontario's mining north, but to the rapidly growing Quebec field also. As will be seen from the map shown above, the C.P.R.'s proposed line, The Temiskamingue & Abitibi Railway, passes through an area in which are many important and potentially important mining properties. The application also asks the right to carry the line from Senneterre northeast to Lake Chibougamau.

It is not known yet whether the master stroke of the C.N.R., in announcing that it would run a branch line from Senneterre, through the gold area and west to Rouyn will put a crimp in the C.P.R. plans. Obviously such a move would not give the C.P.R. its main objective, namely, a line into the Chibougamau field. Officials of the C.P.R., interviewed by The Financial Post, declined to comment on this latest move of their rival.

The line into Chibougamau, from a strategic point of view, supplies the most interesting feature of the argument. For years, efforts have been made by interested mining companies to have a line built into this large, low grade copper-gold country. Absence of transportation has undoubtedly retarded development. For many years Chibougamau and Consolidated Mining & Smelting Co. into the picture, the area has been kept in the mining spotlight only by the roseate faith of promoters.

C.P.R. and Smelters

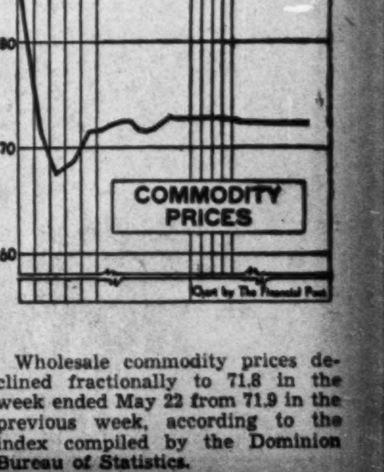
The C.P.R. holds approximately 51 per cent of the outstanding stock of Consolidated Mining & Smelting Co., whose operation is by far the most advanced in the Chibougamau field. So that this railway has a very real stake in the development of the area.

The suggestion has been made that the inclusion of the Chibougamau extension in the application was only for the purpose of arousing the enthusiasm of the mining industry and that the real objective of the C.P.R. was to gain a share of the traffic into the area south of the C.N.R. transcontinental line. Most informed observers, however, refuse to discount the Chibougamau extension, and believe that the Chibougamau field is the real goal of the proposed line, and that the traffic south of the C.N.R. transcontinental was only secondary issue.

The basis of the dispute has its roots in the days before the rich nickel copper deposits of the Sudbury district were opened up. It was the C.P.R.'s line which was largely responsible for opening up the Sudbury and Copper Cliff districts in Ontario.

D. C. Coleman, vice-president of the C.P.R., commenting on this fact, has pointed out that it was only after the Sudbury deposits had shown their possibilities, that other lines, with government aid, were

(Continued on page 2, col. 3)



Wholesale commodity prices declined fractionally to 71.8 in the week ended May 22 from 71.9 in the previous week, according to the index compiled by the Dominion Bureau of Statistics.

MEN'S SHOP

SLEEVELESS SWEATERS SWING INTO STYLE

Fashion favours sleeveless sweaters for wear with flannels or "plus fours". Golfers prefer them because they provide the freedom so essential for strong straight-line drives! And the Men's Shop offers them in a splendid selection . . . imported from England and Scotland . . . knit in a distinctive choice of patterns and colour combinations from fine all-wool botany yarns in sizes 36 to 44!

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Potent Forces Tangling Over Rail Building

(Continued from page 1)

constructed into the area to share the traffic with the C.P.R.

Rouyn Field Dispute

Later, when the Rouyn area, with its copper-gold ores, had been discovered, the C.P.R. was the only line with chartered rights to serve the territory, through ownership of the Interprovincial and James Bay Railway. Opponents of the C.P.R.'s application argue that at that time this line "lost its chance" to serve the area. The C.P.R., through Mr. Coleman, replies that since the two sister provinces would have been brought into conflict, the C.P.R. chose to stay out of the fray and did not go ahead with its extension from Angliers.

In any event, the suggestion of the C.N.R. that it build an extension from its transcontinental line into the area was accepted. Later the T. & N. O., owned by the Ontario government, extended its line from Kirkland Lake into Rouyn.

This latter extension really gave Toronto and North Bay the advantage as the gateway into the northern Quebec fields, inasmuch as the C.N.R. extension was a rather roundabout way to Montreal and the east.

If the C.P.R. gets its application from the Quebec legislature, Montreal will have almost direct access to the Quebec field, and to this extent the Ontario centres will lose their prestige.

When the proposal was being discussed recently in the federal house, the question was raised as to the legality of the C.P.R., with a Dominion charter, applying through a provincial government for the charter. A dispatch from the Ottawa correspondent of The Financial Post indicates the federal government will not act on this point, and will confine its opposition to the proposal to authorizing the C.N.R., of which it is the proprietor, to defend itself to whatever extent it deems necessary.

Thus the fight appears to have narrowed in scope to a straight issue between Canada's two railroads, and the scene of the dispute to the halls of the Quebec legislature.

Ottawa Stands Pat
From Our Own Correspondent

OTTAWA.—Except as the proprietors of the National Railways, the Dominion government and parliament have no interest in the proposed Canadian Pacific branch line in northwestern Quebec. The decision as to whether or no a charter is to be granted rests entirely with the Quebec legislature and it is there that the fight between the private and publicly owned transportation interests will be carried on

The government has intervened only to the extent of authorizing the National Railways management to defend itself to whatever extent it deems necessary. The method of defense is apparently to build a rival line.

The consensus of opinion on Parliament Hill is that it is a regrettable incident. In view of efforts being made to induce the two large railway companies to co-operate it is believed unfortunate that a serious break of this kind should have occurred.

AMERICAN BUSINESSMEN LOOK AHEAD CONFIDENTLY

(Continued from page 1)

ment of the monetary status, has given added confidence to business.

Reports on sales this year have been encouraging. One manufacturer doing a national and international business, told The Post that up to May 15 his sales were 17 per cent ahead in dollar value over the same period of 1935 and 40 per cent ahead of 1934. This showing can be duplicated in many other lines of business, indicating that earnings for 1936 should be on a better scale.

While the costs of materials, labor and taxes have made big inroads into the larger revenues, profits of the representative industrial companies are expected to show an increase of 25 to 30 per cent this year.

Stock Market Promising

The improvement in business has found reflection in the financial markets. Common stock values have advanced to the highest ground recorded in some time. In the last few weeks there has been a readjustment of values, but there is no indication of any major decline. The majority of brokers are of the opinion that the readjustment has about spent itself and that many good gains will be recorded between now and the balance of the year.

The bond market, too, has gone ahead. The banks generally, with more confidence in the political and economic outlook, have taken on a larger proportion of long term bonds. Short term bonds, especially the high grade government issues, still constitute a large percentage of their holdings, but in the last few months there has been a noticeable switching to the longer term issues and the granting of more commercial credit.

Strong Bond Market

The view generally held is that long-term bond prices will continue at their present high level, or even move higher for some time to come. The government, it is believed, will hold down interest rates to existing low levels until there is a fuller measure of industrial recovery and re-employment and the necessity for selling large issues of government bonds at frequent intervals has passed and a large part of the existing short-term government debt has been funded into long-term debt.

Interest in Canadian affairs continues to be rather limited in New York financial circles. This is not due to Aberhart's social planning scheme for Alberta, defaulting of certain municipalities, or the inability of the Dominion and provincial governments to balance their budgets, but simply to the fact that opportunities for the placement of capital within the United States are greater than those offered in Canada.

The Nation's Business

(Continued from page 1)

employee in companies which sell supplies to the publisher.

* * *

THE Canadian publisher is in the unusual and unfair position of paying duty on his raw materials (or buying them at plus-duty prices) yet he must compete against a finished product that enters this market duty free, after it has been produced with raw materials costing 20 or 30 per cent less than the prices paid by Canadian firms. No other industry has to meet such conditions.

Governments are greatly interested in maintaining employment and in creating jobs for the unemployed.

Canadian publishers state they could steadily increase the amount of book paper they use provided they could get it at the same price at which it is sold in the United States. Even if this paper were imported, it would mean that for every dollar of paper imported $4 would be spent on giving jobs to Canadians.

* * *

Obsolete Laws On Construction

WINNING house designs in the recent Dominion Housing Act architectural competition lose much practical value when investigation reveals that these would not be approved under the building by-laws of Toronto and some other eastern Canadian cities. The architects who submitted the designs to be judged by a group of fellow architects seem to have views very different from those of the eastern municipal authorities. The latter maintain that many of the bedrooms in the winning Ottawa prize designs are too small and that the brick, stucco, frame or stone veneer exterior construction contemplated is not sufficiently fire-resistant.

In some instances, too, windows are considered to fall below the ten-per-cent-of-space-lighted, as called for in Toronto regulations.

Practical builders and potential buyers also are critical. They doubt the advisability of flat or low roofs and attached front garages so popular with the leading winners in the competition. They maintain that had there been some representation from actual builders on the board of judges, probably this sort of thing would have been avoided.

* * *

THESE practical builders are, however, no less critical of building by-laws. There seems to be a well founded suspicion that fire-hazard has not been the only factor behind the formulation of these regulations. Building trades and manufacturers of certain materials seem to have come in also for definite consideration. Frame or masonry veneer walls are banned on fire-hazard grounds, yet no consideration is given in Toronto to a metal-asbestos combination, because it falls below the nine-inch thickness minimum. Great stress is laid on this thickness regulation, and type of materials going into the wall, but little or nothing is said about insulation values. Yet a wall in a home has other uses than to merely support a roof.

In many of our cities, building regulations are obsolete. They were drawn before modern methods and materials were devised and need radical overhauling.

* * *

Wiping Out The Stains

THERE must have been many thousands of British investors who followed with keenest interest the arguments before the Privy Council in the recent Grand Trunk case. They would include not only those who still hold paper certificates of shares in the old Grand Trunk Railway, but many others who have come to believe, as a result of the never ceasing and not always fair agitation in Britain on the Grand Trunk affair, that Canadian governments are not to be trusted, and therefore this is a dangerous country in which to invest.

The whole story of the recent case hardly calls for repetition. But in brief British investors asked the Privy Council to declare that they were still the equity owners of the Grand Trunk, despite the fact that the Parliament of Canada, relying upon an arbitration award which ruled the shares to be worthless, took those shares away and transferred them to the government.

The Dominion won most of the points. The stockholders have no recourse against the Dominion. They cannot attack the validity of the legislation which took their shares away from them and they cannot sue for damages without permission of the government. Such permission has been consistently refused. They are left with some right of action against the Canadian National Railways and will undoubtedly follow up this advantage with vigor.

* * *

WHAT the British public is likely to take from this decision is simply this: that the government of Canada expropriated private property by legislation and without compensation; that its sole excuse was that it regarded the property as being valueless; that it has refused the owners of that property access to the courts to sue either for restoration of their property or for damages. The Privy Council has said the government had the power to do what it did and the question of the essential justice of the action does not enter into the argument.

Recently one of the provinces passed legislation of similar character. Ontario cancelled power contracts by passing a law declaring them invalid. The same principle was asserted in both cases: namely, the power of a government to repudiate, in order to suit its own convenience, the terms of any contract falling within its jurisdiction. Perhaps the Grand Trunk legislation was, as has been claimed, "the spiritual father" of Ontario's repudiation. In any event, the British investor now has these two incidents—plus some minor ones—to prove that Canadian legislators do not consider it morally wrong to legislate away private property and to be the sole judges of the rightness of their actions.

It matters very little to the British investor that a board of arbitration declared the Grand Trunk shares worthless. The shareholders never admitted they were worthless and they are fond of quoting the minority award which said the shares were worth $40 millions. And judging by the general pattern of corporate receiverships, had the Grand Trunk been permitted to go into receivership the stockholders would no doubt have got some small allotment of new shares, and would thus have salvaged something from the ruins.

* * *

THE Financial Post has in the past contended that the Grand Trunk shareholders should be granted their fiat to sue the Dominion; that they should be allowed to test their claims in the courts of Canada and that the Dominion should abide by the decision of the courts instead of relying upon the sovereign power of Parliament. This should have been done years ago; it is not too late to do it now. And the courts should be open also to the Quebec power companies to test the validity of their contracts with the Ontario government.

What rankles in Britain is the high-handed nature of governmental action in both cases; the effort of politicians to avert a judicial review of their acts by asserting that "the King can do no wrong," that black is white, and that legislatures and not courts are the custodians of justice. And this will rankle for generations. Canada as a field for investment will never be quite attractive to the British investor until both of these wrongs have, in some measure, been righted.

* * *

MANY years ago Blackstone said "The prerogative of the King never runs to the injury of the subject." But there are a good many politicians who think that what is moral or honest or right can be better determined by the passing of an Act of Parliament or a legislature than by comparison with the simple principles of justice that have prevailed for generations in British countries.

Of course, if Italy and Germany and the other dictatorships are right, then Blackstone was wrong and The Financial Post is wrong and the Grand Trunk stockholders and the power bondholders ought to stop complaining. But the suspicion lingers that Acts of Parliament that close the doors of the courts are not to be reconciled with the British conception of the liberty of the subject and ordinary principles of decency and fair play.

Seal-O-Sac (Canada) Ltd. Share Issue Price Up

Seal-O-Sac (Canada) Ltd., Toronto, has obtained supplementary letters patent under the Dominion Companies Act increasing allotment price of its 10,000 unissued shares from $10,000 to a total amount not exceeding $100,000.

The company holds patents for container-pouches of rubberized paper, as used by Imperial Tobacco Co. of Canada for its Picobac and Old Chum brands.

Shares have recently had some public distribution through Toronto investment firms. The company became a public company when some private holdings were distributed. The outstanding shares number 40,000, of an authorized capital of 50,000 no par value common stock.

No dividends are being paid, but the company's position and prospects are said to be good and there is some possibility that the rubberized pouches may be introduced in the United States.

Directors are G. G. Robinson, John Jennings, P. M. Yeates, W. I. Newmarch and S. C. Williams, Toronto. Mr. Robinson is general manager of Consolidated Sand & Gravel Ltd., Toronto, of which Mr. Newmarch and Mr. Jennings are directors.

Dairy Corp. Unity Plan Is Deferred

Aim to Pay Interest in Stock for Present

SHOW BANK LOANS

Position of Dairy Corp. of Canada is clarified this week with announcement of a proposal for payment of debenture interest for 1936, 1937 and 1938 in stock and issue of the first complete statements since March, 1934.

The general scheme of reconstruction for the company and its subsidiaries, as outlined in The Financial Post May 2, has been deferred, possibly for a year.

A part of the plan, proposing payment of debenture interest in class A shares, is being put forward. This is a makeshift to take care of immediate interest obligations pending the more complete unification of the various companies. Company officials continue to hope it will be possible eventually to consolidate the capitalizations and bank loans, but it is now believed this may have to await further increases in earnings which are anticipated this year.

Present Proposal

A meeting of holders of Dairy Corp. debentures is to be held June 18 at Toronto to consider adoption of a plan to pay interest falling due July 1, 1936, and Jan. 1 and July 1, 1937 and 1938, in class A shares, one share for each $3 of interest due. Meetings of shareholders are also being called to consider the proposal.

This plan is similar to one of the proposals in the larger scheme to unify the Dairy Corp. group of companies.

The necessity for deferment of cash interest arises from bank loans of Dairy Corp. secured by deposit of its securities of subsidiary companies. Although the subsidiaries' profits increased sharply in 1935, it has not been possible to draw down earnings so that they are not available for holders of Daily Corp. debentures at present.

GOV'T ANNUITY SYSTEM SHOWS GRAVE ERRORS

(Continued from page 1)

balance of approximately $17 millions which the treasury used as ordinary revenue. This system, he said, would work so long as the receipts more than equalled the expenditures but a day of reckoning must come.

"Authorities on public finance," said Mr. Watson, "appear to consider it at least unfortunate to be obliged to borrow for current purposes, but to borrow for current purposes and then either let the interest thereon accumulate or pay it out of the borrowed money, must be the worst possible sort of public finance."

He pointed out that annuities administration in Great Britain was on an entirely different basis. The premiums were used to retire debt (the consol, or most gilt-edged bond, rate was used to calculate the premiums). When the annuitant dies, the debt was actually retired. From an actuarial point of view, he said, for every $75 received in one year from the sale of annuities, $150 will fall due for payment in twelve years.

Canadian Practice

Instead of accumulating the premiums paid, at interest, the government was permitting the obligation to pile up at compound interest and was then paying it out of borrowed money. He showed that annuity rates of insurance companies were from 21 to 33 per cent higher on males and from 22 to 37 per cent higher on females. The disparity varied with the age groups. On top of this, the government had never charged annuitants for the administration cost of the system.

In the fiscal year 1935-36 total receipts were $21,000,000. Mr. Watson figured there would be a loss of $5 millions on this business. His calculation was for an immediate loss: the $5 millions will accumulate interest until it has to be paid.

Mortality Tables Obsolete

The government's rates were based upon out-of-date mortality tables. Between 1911-1934 the average life of policyholders of insurance companies had increased from 46 years to 59 years. The British system had taken cognizance of this change and higher rates were being charged.

It was notable that annuities and insurance were vastly different in this respect. A longer life span meant an additional profit to the insurance companies. With annuities, however, it meant higher costs.

At the close of the last fiscal year the position of the government scheme was as follows: 29,093 annuities had been sold. Receipts totalled $78,001,491.74; liabilities were $66,835,000.

New Brunswick Asks Tenders on Bond Issue

From Our Own Correspondent

MONTREAL.—New Brunswick is calling for tenders up to June 2 for purchase of $5,342,000 of debentures. The new issue may be for short, medium or long term, as prospective buyers are given the option of tendering for a bond with a ten-year term and interest at 3 per cent; a 15-year term with interest at 3¼ per cent; 20-year term with interest at 3½ per cent, or of tendering for the debentures on the same basis but callable in whole or in part at 101 and accrued interest on any interest date after five years from date of issue.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Saint John, N.B.	May	Griffis, Fairclough & Norsworthy	3%	1937-46	$66,000	100.58	3.30%
			3½%	1937-56	63,000		
Toronto, Ont.	May	R. A. Daly & Co. and Syndicate	2%	1937-41	2,872,000	100.413	2.43%
			2½%	1937-46	2,283,000		
			3%	1937-56	989,000		

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Dominican or Friars Preachers of Ottawa	May	Harris MacKeen & Co.	4%	1937-51	$125,000	100	4%
Newman Club	May	Harris MacKeen & Co.	4%	1937-36	56,500	....	...
Telephone Securities	May	W. C. Pitfield & Co.	5½%	1941	1,300,000	98½	5.85%

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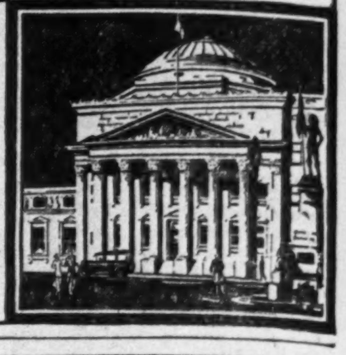

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EDMONTON Phone 21677
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REGINA Phone 5523
WINNIPEG Phone 86-411
SASKATOON Phone 5605
VANCOUVER Phone Trinity 6391

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"Beat Taschereau" Aim Of Quebec's Coalition

[Act]ion Liberale Nationale Says Administration Not Honest

NOT NATIONALISTIC

By STAFF REPORTER

QUEBEC.—What are the aims of the coalition of Quebec Liberals, Conservatives and Independents that has risen to challenge the rule of the Taschereau government?

The opposition in the Quebec legislature, is within four votes of governing the province. It is therefore interesting to note that L'Action Liberale Nationale, which is the largest group in the coalition, has as one of the planks in its platform the breaking "by all possible means of the grip of the great financial institutions, the Hydro-Electric trust and the newsprint trust on our province and on our municipalities." It calls for a battle against the alleged "coal, gasoline and bread trusts" and envisages state competition, if necessary. It attacks Premier Taschereau because he is a director of some dozen trust and insurance companies and asks legislation preventing any minister of the crown being a director. It proposes that the chief justice shall do the work of the lieutenant-governor. It is for forcing a reduction of interest rates on all mortgages and for refunding all government bond issues on an interest basis 25 per cent lower than at present.

All these things take second place to the main present objective "to beat Taschereau." Because other groups are in the opposition, The Financial Post thought it well to enquire if the programme were somewhat modified as a result of the coalition with the Conservative group. It therefore asked Maurice Duplessis, parliamentary leader of the opposition, for an interview which was sandwiched in between an afternoon and an evening session along with a lot of other political conferences and confabs.

"Permanent Alliance"

"What is the meaning of your coalition, Mr. Duplessis?" asked The Financial Post. "Apparently men of all political faiths are united under you. Is it to be a temporary alliance or a permanent one? And if you believe it will be permanent, what are the objectives that will suit all elements in the coalition?"

"I will try to put it in a nutshell," said Mr. Duplessis. "You remember how Germany invaded Belgium at the outset of the Great War, ignoring her signed pledge not to do so? Her ministers referred to the agreement not to invade Belgium in contemptuous terms as a scrap of paper. All the early allies, England, France, Russia and Italy, managed to work together very effectively during the war in spite of their diversity of outlook and opinion on many points, because they were united in a common desire to preserve democracy and a common respect for their plighted words.

All Against Taschereau

"The Liberals, Conservatives and Independents inside and outside this house have banded together in much the same way as did the Allies then to defend common ideals and to achieve objectives which are important to all of us. Our main objective is to re-establish in the province of Quebec responsible government, honesty in administration and sound economy. The best way to achieve these aims, we all agree, is to rid the province of the old régime. It is an alliance of disinterested citizens to get rid of an administration whose abuses and misdeeds aggravated to a large extent, we believe, the sad consequences of the depression. We believe this administration constitutes a human obstacle to economic recovery.

Not Parochial

"Representations have been made both in French and English newspapers that this is a parochial and nationalistic movement and that we propose to drive a wedge between the two great races who have settled Canada in the main. It is not so. We always have believed, we still believe, and we always will continue to believe in co-operation between the two great races which have done so much to promote and ensure the well-being and prosperity of the population of our province and of the Dominion.

"But just now we are discussing questions which affect the province of Quebec alone. We consider that autonomy of each province, and particularly the autonomy of the province of Quebec, is essential to the welfare of Confederation. We fully realize our responsibility as a member of Confederation and, as always, will fulfill our obligations. As always, too, we will insist on respect of our rights. It is silly to say that we want a republic on the St. Lawrence. We are part and parcel of Canada and in the Dominion we have economically, socially and politically our best chance for happiness and prosperity.

English Should Study Situation

"It is too bad that in the province of Quebec English-speaking electors do not pay more attention to provincial politics. It is almost a political heresy to say to them that the Taschereau government is not giving a sound business administration. Many large business organizations have accepted statements of the kind on faith and without question. I venture to assert that any fair-minded and competent citizen, who will take the time — and it will not take long — to study the conduct of provincial affairs under Mr. Taschereau, will come rapidly to the conclusion that the so-called prestige of this political régime is based more on inflation than on reality."

"Inflation?" queried The Finan-Post.

Inflation of Praise

"There are different kinds of inflation," said Mr. Duplessis. "There is inflation of currency, which is bad. There can be an inflation of praise and it is just as bad in its effects. A government that controls and inflates currency makes money of less value the more it issues. But it may deceive the ordinary citizen for awhile and even for years. This Quebec government has had practical control for many years over what was said about it. It has given heavy subsidies of the public money to all the newspapers in the province. The latter therefore accept unquestioningly the government's own estimate of itself.

Where "Liberal" Means "Tory"

"This government calls itself Liberal. That, too, is an inflation of phrase until it has become almost meaningless if one applies the real meaning of 'Liberal.' It is not a Liberal government and it is not a Conservative government. It is a Tory government of the worst kind. I am against inflation of phrase or of praise. We think that the electors should learn to call things by their right names. And it is the truth about the Taschereau administration that it is Toryism incarnate. I see that there has been complaint in Ontario about too many commissions. It is a method of transferring control from democratic institutions to bureaucratic ones. Well, in Quebec there are 22 commissions of this kind. We have more than there are in Ontario."

"Do you contend that Hon. Mr. Stockwell, provincial treasurer, is wrong in stating in the budget address that Quebec pays the lowest interest rates of any government in Canada, that Quebec has the lowest per capita debt of any province and that Quebec's credit is still the best of any governing authority in Canada? If those things are correct, would they not be a fair measure of the solvency and financial administration of Quebec in past years under the succeeding Gouin and Taschereau governments?"

That Per Capita Comparison

"More inflation of praise!" commented Mr. Duplessis. "What is the right way for a taxpayer in Quebec to compare his debt situation with that of taxpayers in other provinces? Out of fairness he should deduct from the totals of other provinces the debts which have been created to establish revenue-producing assets which are taking care of the debts automatically.

"For instance," continued Mr. Duplessis, picking up a report from the Dominion Bureau on financial statistics of provincial governments, "this report shows Ontario's funded debt in 1933 at $522.7 millions and Quebec's at $110.2 millions—Quebec's net debt alone is now more than $140 millions and it is increasing rapidly. But it is only fair to take into account that Ontario has created government utilities valued at $220 millions out of that. Quebec's government has created very little in the way of revenue-producing assets. One should also note that Ontario got $188.1 millions of good roads out of the expenditure while Quebec only shows $66.8 millions after writing off $21.8 millions in the last 14 years.

"The ratepayer of Quebec also has to consider what he has to pay in total of taxes. If the province throws more expenditures upon the municipality it does not help the ratepayer any. The Dominion Bureau of Statistics shows that the per capita debt of Quebec due to municipal debt alone was $165.21 in 1933 and in Ontario $151.78. The highest was British Columbia with $228 per capita. And that does not take into account the school debt.

"It is a silly way to compare per capita debt in any case. The right comparison is to take the number of ratepayers. The families in Quebec are large. There are not so many ratepayers in proportion to population as there are in other provinces. A man is obliged quite often to support not only his own wife and family but his father and mother. He may be the only ratepayer for 9, 10 or even 11 people. How ridiculous to compare debts per capita? The comparison should be between the per capita debts for ratepayers of various provinces after making the other modifications I have mentioned.

"Considered thus, the debt is far too large in Quebec and it has been increasing at the swiftest rate in Canada. It is time the province's position should be scrutinized intensively. The books and documents issued by the government tend to deceive rather than to enlighten. More than $1 million is being paid to newspapers in printing contracts without tender and in other ways. They are really being paid this amount to praise the government. No wonder that it is hard for people to be fully aware as to conditions!

Poor Bookkeeping

"Look at the public accounts. I venture to say that some of the corporation executives who support Mr. Taschereau (because they think he is 'safe' without studying the matter) would be scandalized if their own books were kept in the same way as the province keeps its. The province's balance sheet shows the funded debt at $134.7 millions but the province has contingent liabilities in guarantees of bonds and loans of $10.9 millions. It does not include the obligation to pay from the Public Charities fund and other funds to certain institutions amounts aggregating over a term of years $16.1 millions.

"Once the revenue account showed receipts from municipalities for lunatic asylums, reformatory and industrial schools, public charities and health units. Now it is deducted from the total expenditures for these items. It makes the ordinary expenditure look smaller in these items than they were some years ago when the municipality's share was shown in the revenue. The result is to lead the person, studying recent accounts, to think there has been a decrease in such expenditures whereas there has been an increase. I mention these things only to show that it is part of the policy of inflation of praise.

"The province's balance sheet shows the accumulated surplus reduced during the year ended June 30, 1935, from $6.4 to $1.4 millions. You can see that if some of these items I have mentioned were included the so-called 'surplus' becomes a deficit. More inflation of praise! The provincial accounts show ordinary expenditure of $36.9 millions and ordinary revenues of $32 millions, a deficit for the year of $4.9 millions. In addition, the province's accounts actually showed expenditures of $75.4 millions chargeable to assets. That includes $39 millions for repayment of treasury bills and $18.4 millions for miscellaneous works and expenditures which include the province's share of the $19.3 millions spent for direct relief."

The Financial Post went over the public accounts with Mr. Duplessis and agreed with him that if one included the increase in debt which was mainly incurred in giving relief the actual deficit of the province for the year ended June 30, 1935, was more than $23 millions instead of the $5 millions shown. Moreover the net debt has doubled since 1931.

Window Dressing

Mr. Duplessis also claims that the government are able to window-dress their liabilities to banks because the year for the Quebec Liquor Commission ends on March 31 and the provincial year on June 30. It is claimed that the province can draw funds from the Quebec Liquor Commission and that the latter even borrows money to lend to the province. The province can then lessen its liabilities to the banks and adjust the matter with the Liquor Commission again after June 30. The Government on the other hand claims that there are profits by the Liquor Commission in this two months period which are due to the government and thoroughly justify all that is done.

A further study of L'Action Liberale Nationale will be given in an early issue.

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Germans "Cut Rate" Marks To Attract More Tourists

Europe, once the tourist mecca of the world, is out to regain her former status with "travel marks."

Canada, the summer vacation "paradise" of North America, may lose at least a part of her tourist trade as a result.

When the depression struck, in 1929, it also wrecked the foreign tourist trade of European countries. Those from the United States whose dollars flowed freely into Europe before 1929 were no longer able to plan summer holidays in terms of transatlantic steamship fares. They turned, instead, to Canada.

Thousands of visitors discovered they could enjoy an annual vacation at low cost among Canadian lakes, streams and forests, but with the approach of "better times," Americans can again consider Europe among vacation possibilities.

Sell at Discount

Formerly known as "Registered Mark Traveller Cheques," the new "travel mark" cheques are sold in much the same manner as ordinary travellers' cheques but only outside Germany.

A Canadian who purchases these at a Canadian bank, receives about four travel marks for $1, or at a cost of about 25 cents each. In Germany the travel mark cheques are exchangeable for ordinary German currency, but since the German mark is worth about 40 to 41 cents in Canadian funds, the visitor to Germany actually receives currency worth about 40 cents in return for a mark that cost him 25 cents.

If the tourist has an excess of travel marks in his possession when he leaves Germany, he can get a refund for them in his own country on his return.

A counterpart of the German method in Canada would be, if it existed, in an American tourist exchanging U. S. dollars for Canadian government cheques, to be cashed at any bank, on a basis that would yield $1.60 in Canadian currency for each $1 in U.S. funds.

In spite of the restrictions attached to the German "travel mark" it is expected to have a tremendous effect in encouraging travel in Germany this year, particularly with the Olympic games at Berlin.

There may be fluctuations in foreign exchange that cause similar fluctuations in the saving effected by the use of the "travel marks," but the margin between the two is so great that the traveller is almost certain to gain by the transaction.

Needed Before Entry

Since travel marks are not obtainable in Germany, they must be bought before the traveller arrives at the frontier. They can be cashed at banks in Germany and railway exchange offices, and until the "travel marks" cheques are cashed, the visitor pays in sterling or other non-German currency at the ordinary rate of exchange. A maximum of 50 Reichsmarks a day per person may be secured from the "travel mark" cheques and used as ordinary currency. It is not necessary to cash the cheques daily, since a week's or ten days' supply may be obtained at one time. In exceptional cases, with a letter from a bank, 3,000 a month can be obtained.

Restrictions on the use of Reichsmarks obtained at the "cut rate" through use of "travel mark" cheques include their expenditure only for travelling expenses, including passage on German trains, coaches, airplanes and cruises on German liners, but not at the 60 per cent reduced rate tickets that Germany provides for travellers visiting the country and which are obtainable only outside Germany. Living expenses, including hotel or lodgings may also be paid for by cashing "travel mark" cheques, as well as restaurant meals, theatre tickets, and other incidental tourist expenses.

Saskatchewan Sales Improve

Gains Shown for Most Kinds of Equipment, Retail Goods

From Our Own Correspondent

REGINA.—Saskatchewan installment plan financing has leaped ahead by approximately 100 per cent to the end of April as a result of heavier retail sales of autos, refrigerators, radios, washing machines and other electrically operated units.

Rural areas show increases in hardware, implement, gasoline and oil sales due to widespread seeding operations, largely without the aid of government financing. Staple goods, boots, shoes and food show improvement with food tonnage up but little price advancement.

That in short is a good description of trade conditions in a province emerging from five years of decreased purchasing power due to uncontrollable conditions.

Wholesale houses, feeling more confident of the future, are buying new cars for their salesmen.

Implement dealers display more cheerful countenances, for the first time in years.

Investment Service
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YOUR Will is a written plan for your beneficiaries. The accomplishment of your instructions is the responsibility of your executor. . . . Consider the dependability of a corporate executor — this Trust Company—it has financial responsibility, experience, continued life; it is always available, its trained officers give constant attention to an estate in its care. The cost is no more than allowed an individual executor . . . in many cases the economies of experienced management effect considerable savings.

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PRICED FROM $945
(Standard Six 2-pass. Coupe)
8-cylinder Models begin at $1131
Delivered at Factory, Oshawa, Ont. Government taxes, freight and license extra.

IMPROVED TRIPLE-SEALED HYDRAULIC BRAKES

Among Pontiac's 101 fine-car features you'll find the finest brakes—at any price! These big, sure-gripping brakes are triple-sealed against dirt and water. Ruggedly constructed with molded linings and cast-iron drums.

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Solid Steel Turret Top Body by Fisher
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IF you were to buy a car costing twice as much as the low-priced Pontiac, you'd still want Pontiac's fine-car features. . . . The 1936 Silver Streak Pontiac offers you the finest features money can buy—101 of them—each one contributing to your motoring pleasure.

Take Pontiac's big, Triple-sealed Hydraulic Brakes for example. You'll surely appreciate the straight-ahead, quick stop they give you with a touch of your toe on the pedal.

. . . Step into Pontiac's roomy, luxurious interior and discover a new type of motoring comfort—now within the reach of every new-car buyer. . . . Drive Pontiac over the roughest roads and get a new thrill from its Knee-Action gliding ride.

One ride in a Pontiac and you'll agree it's the big value of the low-price field. . . . Visit our showrooms and drive the new Pontiac. Ask about the low-cost General Motors Instalment Plan—monthly payments to suit your purse.

Pontiac

See, Drive and Compare the Pontiac Models on Display at Your Local Dealer's Show-room

P-868

Investment Trends

Inactivity or Softness Foreseen for Stocks

Low Interest Rates and Inflationary Influences, However, Should Support Dividend Payers — Ultimate Recovery May Be Sharp

Despite reports of improving business, particularly in the United States, it begins to look like a dull summer for industrial stocks. Quietness may be disturbed at any time, however, either by another franc crisis, international friction, or American political unrest. Inflationary sentiment may boost prices later in the year.

Re-election of the Roosevelt forces is considered probable because of popularity created by huge expenditures; this applies particularly to agricultural sentiment. It is possible, however, that insufficient majorities in Congress or Senate could force diminution of spending, or that the government deficits will tend to decline anyway in accordance with original plans. Yet it is always easier to start spending than to stop, and the longer deficits balloon along, the greater the inflationary influence.

Sentiment for more inflationary schemes than have been tried yet in Canada continues strong, and in higher quarters than might be expected; although the government has been free of contagion.

Bond men continue to hold high-priced government issues in disfavor for small investors, and are marketing industrial and public utility issues.

Volume of large retailers in eastern Canada has been barely holding the levels of last year, and in some cases has been down.

Wait for Trend

LOWER points of particular interest are: 126.3 for Toronto Stock Exchange industrials; 69.7 for Montreal industrials; 143.65 for the Dow-Jones industrials in New York.

After the force of the recent rally has spent itself, markets are expected to test these recent low levels. If the lows are broken, further extension of the decline would be looked for.

Pending greater certainty over the probable course of prices, investment services are advising retention of cash funds. The expectation is that lower prices, in a buying range, may be realized before summer is over.

Analysts of market movements suggest that the Dow-Jones industrials may touch a bottom of 123-133, which would mean a further recession in prices of about possibly 10 per cent. Comparable declines would bring the Toronto average down to 115-125 and Montreal to about 60-65.

Buyers of common stocks would be well advised at present to exercise extreme caution in buying non-dividend-paying issues. Higher quality shares of Canadian companies that are paying dividends may not reach much lower prices. If and when the price trend turns up again, sharpest recovery may be seen in speculative stocks.

* * *

Taxes and Policy

IN ONE of the less biased comments of Professor D. C. MacGregor, of the University of Toronto, on "the problem of public debt in Canada," it is pointed out that the measure of recovery that has already occurred has allowed people to dismiss their former worries over unfavorable features in government finance.

Government deficits in Canada appear relatively less important than in the United States. Nevertheless, if the chickens of Canadian government finance come home to roost, there would be the possibility of a financial crisis in this country, tending to depreciate the value of the Canadian dollar and possibly of government bonds.

This possibility may be avoided by alternatives: sharp growth of income, severe reduction of government expenditures, or higher taxation, or a combination of the three.

Higher taxation seems probable, and in view of a possible increase in personal income tax next year, there is some interest in non-paying securities that appear to have possibilities of returning eventual capital gains. Among them may be numbered non-paying preferreds such as Canada Bread B, Dominion Tar, Canada Wire & Cable, General Steel Wares, and even riskier ones. In any attempt to evade taxation by buying non-payers, the investor must recognize the speculative nature of the undertaking.

* * *

Interest and Prices

REDUCTION is being made to 4½ per cent in banks' interest rate on call loans to brokers. In view of sharply reduced interest yields and coupon rates on securities, rates charged on collateral loans have been too high in many cases to allow the dealer a profit on even a modest inventory of securities. Reduction in the rate to brokers is expected to be followed by lower rates to their clients.

There seems to be an inconsistency in rates, those on loans secured by prime collateral like government bonds being higher than the yields that the banks themselves obtain by actual purchase of such securities. Special rates are sometimes arranged with banks, and the day may come when Canadian call loan rates are adjusted, by groups, to bear some relationship to coupon rates and yields. For instance, why not lend at 2½ to 3 per cent against government bonds yielding 3 to 3¼ per cent; at 3½ per cent on corporation bonds of the 4 to 4½ per cent variety, and let the 4½ per cent rate stand on other collateral as a check on speculative excesses?

For the average investor, the important fact is that downward adjustment of loan rates and reduction of the deposit rate to 1½ per cent are points of strength for securities. This applies particularly to those that return satisfactory yields on present dividend and interest payments.

* * *

Buying Mines

AT THE risk of indictment for invading the mining department, here is a suggestion for those who must have their fling in new mineral ventures. Spread the risk. Buy, say, 200 shares in each of the five best prospects in a new field, rather than plunge in 1,000 shares of a single company.

The thought arises from the experience of an erratic but prosperous investor who went into Porcupine 25 years ago. Among several, he bought Dome, and still has it, and another of his "speculations" has recently awakened, like Rip Van Winkle. Others, however, are worthless.

Pressed Metals Will Issue Rights

Pressed Metals of America, Inc., has filed application with the United States Securities and Exchange Commission to issue 11,299 shares of stock to stockholders. The proposal is that shareholders be given the right to buy one share of stock for every 10 shares held as of record June 15.

The maximum price for the rights is set as 25 but may be for $20 a share. Proceeds of the stock issue will be used to finance expansion to the extent of $200,000.

Company's sales are well up for the current year and May volume is well in excess of April output. The installation of 3 or 4 new machines for the making of automobile parts is expected to be profitable. One sign that the company expects profitable business to continue is that the dividend payable July 1 to shareholders of record June 15 is for 37½ cents a share. In the previous quarter it was for 25 cents plus an extra of 12½ cents.

LIEUT.-COL. HERBERT J. WEBB, who has just been appointed vice-president and treasurer of Bathurst Power & Paper Co. He leaves the Canadian International Paper Co. to accept his new appointment. He joined the International in 1925 when that company took over the old Riordon Co., and he had joined the latter company in 1921 when it was having financial difficulties.

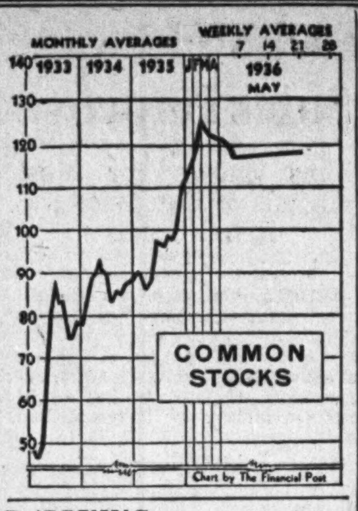
Government, Municipal, Public Utility and Industrial Bonds

List of current offerings furnished on request

NESBITT, THOMSON and Company Limited

355 St. James Street West, Montreal

Branches in all the principal cities of Canada



RALLYING

Moderate recovery in common stock prices continued in the week ended May 21, as shown by the Dominion Bureau index. June is expected to be an important month in developing the trend of share prices, which, temporarily, may be in a downward course, despite rallies. Indices appear on this page.

Carlisle Heads Gt. Lakes Paper

Plan to Issue New Securities Early in June

C. H. Carlisle, president of The Dominion Bank, has been named president of The Great Lakes Paper Co. The company was incorporated in Ontario April 3, 1936, to acquire assets of the predecessor company of similar name as part of the reorganization adopted by bondholders.

E. G. Long of Long & Daly, Toronto law firm, is vice-president. Arthur D. Cobban of Wood, Gundy & Co. and R. G. Meech of Long & Daly are directors representing bondholders.

Ray Lawson, of London, Ont., vice-president of the London & Western Trusts Co., and Harry Murphy, well-known Fort William lumberman, are also on the new board.

Publishers' representatives on the board of directors are L. E. Aldrich and John W. McCurdy, Chicago. A ninth director representing publishers who have entered into long-term contracts to buy the company's newsprint is to be appointed at an early date.

Plans are being pushed to issue securities of the new company early in June, whereupon the reorganization will be complete.

J. H. Pearn President of Sussex Ginger Ale

J. Howard Pearn of Sussex, N. B., has been elected president of Sussex Ginger Ale, Ltd., succeeding the late C. George Armstrong. J. A. Ferguson, general manager of the company, has been elected a director to fill the vacancy left by Mr. Armstrong's recent death.

Major Problem Faced Rehabilitating Abitibi

Present Set-up Not Favorable for Ending Receivership

"ASSETS" MILLSTONE

Back in January of this year Hon. Peter Heenan, Minister of Lands and Forests of Ontario, told the bondholders' committee of Abitibi Power & Paper Co. that the Government would like to see the company reorganized as soon as "reasonably practical." Bondholders, preferred and common shareholders all share the desire of the government but groups regard a date that would be "reasonably practical" as one when a reorganization would be under circumstances that would permit the reorganizers to consider their claims favorably.

The difficulty is that no one—government, receiver, auditors, executive officers or experts—knows the market value of Abitibi assets even approximately. The receiver's financial statement for 1935 shows the book value of all assets at the end of 1935 at $122.2 millions compared with $193.3 millions just before the receivership. It also shows the net value behind all classes of securities at about $114 millions on December 31, 1935, as compared with $186 millions on April 30, 1932, or about $174 millions if Provincial Paper assets are left out.

A Millstone

But two-thirds of the assets represented in that figure have been so far a millstone round the neck of the company. If the company had never taken over these waterladen assets with their contingency obligations it would still in all probability be a solvent company even if the book value of the assets still remained at the $33 millions shown back in 1925 and 1926.

Nothing but loss has come to the company during the depression from its ownership of the following companies and the investments shown in its balance sheet in them:

	Investment (millions of $)	(Earning or losing)
Thunder Bay Paper*	11.2	Losing
Manitoba Paper	12.6	Losing
St. Anne Paper	12.3	Losing

*Includes $2.7 millions owing on contract to purchase shares and $2.1 millions written off before receivership.

Spanish River Merger

Back in 1925 Spanish River Pulp & Paper Co. assets were shown at a net of $35 millions securing the bonds but only its Sault Ste. Marie mill of 78,000 tons has demonstrated value during the depression. The Espanola mill of 100,000 tons annual capacity and the Sturgeon Falls mill of 46,000 tons annual capacity have only been an embarrassment to the company and even the Sault Ste. Marie owes its present efficiency to extensive alterations and improvements made with Abitibi money after the merger. On balance it would have been better if Abitibi Power & Paper Co. had never toyed with the idea of merger with Spanish River. It seemed feasible at the time only because the price of newsprint was high and it was thought it would lessen competition.

Started Well

Back in those old days in 1925 and 1926 there were about $12.2 millions of Abitibi bonds outstanding and these were backed by more than $33 millions of assets. The company had been built up into a very efficient unit by men who knew their business. The limits had been carefully selected, the woods operations were well conducted and the mills and plants were built and run so that they were 100 per cent efficient all the time. That at least was their reputation.

If the company had not also had to meet huge payments to get control of Thunder Bay Paper Co. for no adequate reason and had not had to pay large amounts for shut-down expenses of various properties acquired in the 1928 orgy of merging, it would be in better shape. The cost of carrying idle mills and timber limit concessions in 1933 was $881,000, in 1934 $546,000 and in 1935 $338,934. In other words the receiver reports arrangements whereby a $544,000 saving has been made in the annual costs of these idle properties. There is still hope for some of these companies but what a showing they will have to make to wipe out the memory of losses.

The view of Hon. Mr. Heenan is that these idle properties can be disposed of more easily if Abitibi Power comes out of receivership and operations proceed more efficiently. But the $1.2 millions earned by Abitibi Power & Paper would not permit it to come out of receivership without arrangements to change bonds into some other security, to pay off the balance owing on Thunder Bay purchase contracts with stock and without changing old power contracts on properties idle all or part of the time to a basis where power is paid for as used. The reason is that depreciation write-off before 1932 was from $1.3 to $1.7 millions annually and bond interest required $2.5 millions without considering the large payments required for sinking fund. If these are not charged the company would not come out of receivership with a showing of less than $3.5 to $3.7 millions operating profit.

Assessing Values.

On the present basis therefore there would have to be a drastic writing down of assets so that old depreciation and depletion allowance would no longer be necessary. The Ontario government and the Ontario Hydro-Electric Power Commission would have to forego their claims under old contracts whereby Abitibi Power & Paper obligated itself to take power from Abitibi Canyon and from Ontario Hydro. As Hon. Peter Heenan has stated the company out of receivership it is possible he may find that it would be worth while to abandon those old claims which no longer exist.

The committee on its part has decided as a preliminary to reorganization that it must secure engineering reports on the company's properties and information as to improvements which would be advantageous. G. T. Clarkson, receiver and manager, states that some time must elapse before any plan can be constructed. Timber concessions of the company must be adjusted and estimates must be made as to the amount of new money which will be needed to put the company on its feet so far as working capital and needed improvements are concerned.

Problem Simple, Solution Hard

To state the problem is simple but to find the solution is difficult. Prove that the company will again be a money-maker and money will be available very soon to take it out of receivership. Offers would probably be forthcoming within a few weeks, for instance, if the receiver were empowered to offer separately the low cost plants at Iroquois Falls, Ontario, and Pine Falls, Manitoba, and the efficient plants at Sault Ste. Marie, Fort William, Port Arthur and Beaupré. Then he would have remaining on his hands the long job of selling Espanola and Sturgeon Falls properties.

Security-holders, however, believe they will do better in the long run if Abitibi is kept together as a going concern and only the "weak sisters" sold.

Volume Trend is Up

What is the hope for future improvement in sales and sales prices? Prices dropped from near $120 just after the war to $53 per ton before the company went into receivership. It dropped immediately afterward to $47.50 and has come by successive stages to $41 per ton at inland points and $40 per ton at ocean and lake ports. That lasted for three years to the end of 1935 and $1 a ton more is planned for 1936. Some stability has therefore been attained in prices.

The following table shows that a trend upward has come in total output:

	Abitibi sales (tons)	Per cent of capacity	Per cent of total Can. prod.
1935	289,096	41.5%	9.3%
1934	239,408	34.4%	9.2%
1933	195,258	26.7%	9.7%
1932	207,127	28.4%	10.9%
1931	264,807	36.3%	11.9%
1930	371,593	50.9%	14.9%
1929	528,181	72.4%	19.4%

N.B.—General market price 1933, 1934 and 1935 was $40-41 per ton f.o.b. mill with costs of freight to destination paid by manufacturer.

Sulphite Pulp

1935	45,949 tons
1934	38,721 tons

N.B.—In March, 1935, market price dropped $5 a ton, largely compensated for by increased efficiency and lower costs of manufacture.

Net Per Ton Down

Amount received for 289,096 tons of newsprint and 45,949 tons of sulphite pulp was $10.9 millions, or an average of $32.55 a ton after paying cost of freight to destination. This compares with about $34 a ton net in 1934. The costs of pulpwood, coal and supplies used in the manufacture of newsprint and of freight charges in delivering same were relatively $350,000 higher than in the preceding year.

The following table compares the potential capacity of mills used by the company during the year with the actual output:

	1935 Total capacity	1935 Tons produced
Iroquois Falls	186,000	153,815
Sault Ste. Marie*	78,000	84,114
Port Arthur	78,000	33,224
Pine Falls	78,000	17,943

*Last report of tonnage capacity was 78,000. Improvements have apparently enabled company to get greater capacity.

Room For Improvement

The company made an increase of 49,688 tons in 1935 over 1934 and apparently can make a further increase of 131,000 tons from these four mills before potential is reached. If it gets near these points overhead and other costs will be lower. More than $2 millions would be the minimum profit under such conditions. The Fort William and Beaupré mills would then be the centre of hope for future improvement. With all these mills eventually busy and Espanola and Sturgeon River eliminated or converted to other uses, a minimum of $3 millions would be probable with no increase in the present price of newsprint. Reorganization has to be on a basis that takes account of minimum expectations but permits a share of prosperity if minimums are exceeded.

Are Woods Operations Wasteful?

Now and then a pulp and paper man tells The Financial Post that operations in the Northern woods are conducted in a wasteful manner. Abitibi used to have a good reputation in that matter and the tradition has been kept up on its own old limits, it is understood. The company lost a good man in J. E. Patterson, manager of operations. He left the company's employ only several months ago and it is a very vital and important matter to know who has taken his place. That is a part of the company's operations where it is possible to make or break the company. Every effort should be made to secure the best expert advice and management in the woods in a good company and therefore the security-holders should keep informed as to what is being done in the woods and who is doing it. The Financial Post is informed by a well-known expert that a difference of at least $1 a ton can be made for the company at that point. And not for this company alone.

Why $750,000 to Mead?

Many shareholders would also appreciate an explanation of the $750,000 paid in cash and receiver's certificates to get control of the firm of The G. H. Mead Co. This firm used to market 85 per cent of the paper produced by Abitibi Co. and G. H. Mead was a director of Abitibi as well and had an important part in the merger operations which have resulted so disastrously. The only assets of consequence, it was understood, were the contracts of the Mead company to sell Abitibi paper. The company no doubt had wide connections but the proportion of Abitibi sales to the rest of the industry fell during the depression. In the present balance sheet the $100,000 profit made by the Mead Co., since the purchase has been used to amortize this intangible asset which therefore now stands at $650,000.

Working capital has improved by $1.4 millions during the year. The receiver's current assets now exceed current liabilities by $1.8 millions as compared with $407,987 a year earlier. Cash, receivables and inventories all increased in the period.

The following subsidiaries showed operating losses before depreciation and bond interest: Manitoba Paper Co. $31,843 (shut-down losses $58,575 to July 6 and profit $26,731 after that); St. Anne Paper Co. expense of carrying plus $50,000 reserve against pulpwood inventories, $140,114; and Thunder Bay Paper Co. $221,947.

Profits on operation before depreciation or bond interest were shown by the following subsidiaries: Abitibi Electric Development Co., $11,342; Kaministiquia Power Co., $310,775; and Mattagami Railroad Co., $23,375. Provincial Paper Co. paid $100,000 on 100,000 shares common held by Abitibi.

For further figures see page 19.

Photo Engravers' Earnings Lower

Contrary to earlier expectations, the forthcoming report of Photo Engravers & Electrotypers, Toronto, will show a slight reduction of profits, it is understood. Liquid position continues strong, and the company has paid off the remaining $50,000 of the bank loan of $250,000 incurred in 1931 in connection with expansion.

In the report for the year ended Feb. 28, 1935, net profits after all charges were $51,201, equivalent to $1.71 a share on the 30,000 common shares, the only outstanding securities. Dividend of $1 a share is being continued and is earned by a comfortable margin.

The report for the year ended Feb. 29, 1936, is expected to appear in the first week in June.

Investment Notes

Bank Shares—Reduction of deposit interest to 1½ per cent would make current dividends safer. Unless such continued economies are made by banks there would be some possibility of dividend reductions.

* * *

International Metal — More than the normal amount of interest is being taken in this company, but the reasons are somewhat obscure. Losses have been large, but reorganization seems unlikely.

* * *

Standard Steel—It was suggested at the United Steel meeting that a dividend of 50 cents a share on Standard Steel common is a hope within 12 months, as reported elsewhere in this issue. This seems optimistic since there is nearly $90,000 arrears of dividends on Standard Steel preferred and regular dividends have not yet been resumed. However, even resumption of regular payments of $3 a share annually would make Standard Steel preferred look pretty cheap at current levels of about $32 a share.

* * *

Brewing Corp.—There is some wonderment among shareholders as to whether horses racing under colors of the Cosgrave stable will appear among balance sheet assets.

* * *

Corrugated Paper Box—Conflicting statements on the progress of this company are apparently related to the market in the preferred shares and therefore not entirely disinterested.

* * *

Canadian Cottons—In view of large write-offs and reserves, the common is held to be undervalued at $49 a share, despite tariff uncertainty.

* * *

Massey-Harris Pfd.—There are large blocks of these shares undigested, but not for sale at present prices. Recent favorable surveys of the outlook for farm implement companies have helped distribute considerable amounts of stock to investors at about $35 a share.

* * *

Consumers' Gas — Recommenders of this favorite old investment stock often point out that the company can raise rates to allow it to cover the $10 dividend; but the big thing is to encourage somewhat sluggish gas consumption which can't be done by rate-raising.

* * *

C. P. R.—London comments continue pessimistic because of the feeling that the "Soo Line" will continue to drain on earnings, and Londoners are reported inclined to sell the shares when they rise. Canadians and Americans appear more optimistic.

* * *

Consolidated Paper — Approximately 20,000 bond and shareholders of Consolidated Paper Corp. will feel more encouraged about their investment in the corporation after reading the 1936 financial statement. A gain of 50 per cent in gross revenue was especially promising, in view of the relatively small increase in the price of newsprint paper. The company has been making headway in reducing the current bank loan and underlying funded debt charges.

* * *

Building Materials—Conditions in the rigid insulating board industry continue along favorable lines and expectations are that such companies as Building Products Ltd., International Fibre Board and Donnacona will experience increased revenues this year. Last month shipments increased 25 per cent over the same month a year ago. For the first four months of 1936, the three companies shipped 9.4 million square feet, or 3 million square feet more than in the same period of 1935.

Significant Investors' Index Numbers

1926 = 100

	Iron and steel	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied products	Beverages	Total industrials	Total utilities	Total co's.
No. of Securities	15	6	5	5	11	18	9	89	23	112
1929-35:*										
High	388.9	113.4	273.4	423.5	113.5	197.8	205.4	317.6	186.0	232.6
Low	39.8	2.8	37.7	83.6	28.0	72.1	28.5	49.3	33.1	40.9
Monthly Figures, 1936:										
January	130.3	18.6	80.0	231.0	75.5	153.6	151.7	187.7	52.4	117.8
February	140.5	20.2	84.3	246.5	74.0	158.7	151.7	200.0	57.0	126.1
March	136.5	18.5	88.7	237.3	73.1	153.2	140.3	194.8	55.4	122.7
April	131.7	17.6	91.0	244.5	71.3	150.8	131.9	194.2	53.1	121.3
Weekly Figures, 1936:										
May 7	125.9	16.9	86.4	236.1	67.4	146.4	123.5	188.0	51.4	116.8
May 14	125.1	17.1	86.9	239.0	67.9	147.6	132.9	190.0	51.9	118.0
May 21	124.3	17.4	90.1	239.4	69.0	145.2	133.7	191.3	53.0	119.2

*High and low of years from 1929 to 1935 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
May 26	129.61	134.64	128.90
May 25	Holiday		
May 23	130.19	134.38	129.71
May 22	129.55	134.19	129.10
May 21	128.98	134.33	129.04
May 20	129.88	133.97	130.16
Month ago .	128.40	126.17	128.60
Year ago ...	113.31	108.91	96.06
High, 1936 ..	143.48	135.81	144.33
Low, 1936 ..	125.71	115.97	125.29

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
May 26	68.5	71.2	70.3
May 25	Holiday		
May 23	68.5	71.2	70.3
May 22	68.4	70.9	70.1
May 21	68.5	70.5	69.8
May 20	68.2	70.8	69.9
Month ago	68.3	72.2	70.9
Year ago	57.6	60.1	59.3
High, 1936 ...	73.4	78.4	76.6
Low, 1936	67.2	69.5	68.9

Province of Nova Scotia

3¼% Debentures, due June 1st, 1956

Price: 99.50 and interest, to yield 3.28%

This new issue is non-callable. It is a direct obligation of the Province and is payable in Halifax, Montreal or Toronto. Debentures are available in $1,000 denomination.

Economic activities of the Province are diversified. Gross value of manufactured products exceeded $52,000,000 for the latest year reported. In addition, mining, agriculture, fishing and lumbering are important.

Budget estimates for fiscal year ending November 30th, 1936, provide a surplus of ordinary revenue before sinking fund provision.

We shall be glad to furnish additional information upon request.

Wood, Gundy & Company Limited

Toronto, Montreal, Winnipeg, London, Eng. — 36 King Street West, Toronto — TELEPHONE: ELGIN 4321 — Ottawa, Hamilton, Vancouver, London, Ont.

Dividends Declared

	This payment	Date payable	Date of record
Andian National	$1+$1	June 1	May 20
Agnew Surpass, pf.	$1.75	July 2	June 15
Anglo-Huronian	20c	June 12	May 30
Ang.-Can. Tel., A	12½c	June 1	May 15
Bk. of N. Scotia ..	$3	July 2	June 15
Brazilian Tr., ord.	30c	July 15	June 5
Borden Co., c. ..	40c	June 1	May 15
Bk. Can. Nation.	$2	June 1	May 15
Belding Cort., pf.	$1.75	July 2	June 15
Do., com.	$1	July 2	June 15
Bk. of Toronto	$2.50	June 1	May 15
Bunker H. Sull.	50+25c	June 1	May 15
Bank of Montreal	$2	June 1	Apr. 30
Beattie Gold	5c	June 1	May 15
Biltmore Hats, pf.	$1.75	June 15	May 15
Bk. of Canada	$1.12	July 2	May 31
Bright, T. G.	7½c	June 15	May 30
Do., pref.	$1.50	June 15	May 30
Can. Malting	37½c	June 15	May 30
Can. Dom. Sugar ..	37½c	June 1	....
Do., extra	$1	May 15	....
Can. Perm. Mtge...	$2	July 2	June 15
Can. Canners 1st p.	$1.50	July 2	June 15
Corr. P. Box, pf...	$1.75	June 1	May 16
Crows Nest Coal..	†$3	June 1	May 15
Celanese of Am. pr. pf.	$1.75	July 1	June 6
Do., part. pf.	$3.50	June 30	June 18
Cosmos Imp. p. new	$1.25	July 15	....
Can. Bk. of Comm.	$2	June 1	Apr. 30
Can. Vinegars	30c	June 1	May 15
Canadian Oil, pref.	$2	July 1	June 20
Confederation Life	$1	June 30	June 25
Cons. Div. Std. Sec. pf.	25c	June 15	June 1
Catelli Food, pf. ..	‡38c	June 1	May 22
Catelli Mac., A pf.	$2.50	June 10	May 22
Can. Gen. Elec. ...	$1.25	July 1	June 13
Dom. Scott. Inv., pf.	75c	June 1	May 20
Do., arrears	25c	June 1	May 20
Dome Mines	50c	July 20	June 30
Do., extra	50c	July 20	June 30
Dom. Coal, pf.	38c	July 1	June 15
Dom. Bank	$2.50	July 2	June 15
Dom. Textile	$1.25	July 2	June 15
Do., pref.	$1.75	July 15	June 30
Electrolux	40c	June 15	May 15
Do., extra	10c	June 15	May 15
Falconbridge N. ..	7½c	June 25	June 4
Fernie Brew.	60c	July 2	June 17
Goderich Elev.	25c	July 2	June 15
Do., bonus	15c	July 2	June 15
Ham. U. Thea., pf.	$1	June 30	May 30
Hollinger Gold	5c	June 16	June 1
Do., extra	5c	May 19	May 4
Hudson Bay Mining	50c	June 29	May 29
Imperial Oil	25c	June 1	May 15
Do., extra	37½c	June 1	May 15
Inter. Mining	15c	June 20	May 29
Inter. Petroleum ..	75c	June 1	May 22
Do., extra	50c	June 1	May 22
Inter. Nickel, c. ..	30c	June 30	June 2
Laura Secord	75c	June 1	May 15
L. of Wood Mill. pf.	$1.75	June 1	May 15
Loblaw Groc., A ..	25c	June 1	May 12
Do., B	25c	June 1	May 12
Lake Shore Mines	$1	June 15	June 1
Little L. Lac	10c	June 25	June 10
Moore Corp., c. ...	25c	July 2	June 10
Do., pref. A	$1.75	July 2	June 10
Do., pref. B	$1.75	July 2	June 10
Montreal Loan	50c	June 15	May 30
McIntyre Porc.	50c	June 1	May 1
McColl-Fron., c. ..	20c	June 15	May 15
McKinley Mines ...	2½c	June 1	May 15
McKenzie R. L. ..	‡3c	June 15	June 1
Monarch Knit., pf.	$1.75	July 2	June 15
Montreal Cott., pf.	$1.75	June 15	May 30
Nat. Grocers, pf. arrears	$3.50	June 1	May 23
New M. Laund., p.	$1.62½	June 1	May 23
N. S. L. & Pr. pf.	$1.50	June 1	May 15
Nat. Biscuit, com..	40c	July 15	June 17
Ogilvie Flour, pf.	$1.75	June 1	May 20
Pioneer Gold, B.C.	20c	July 2	May 30
Power Corp., pfd.	$1.50	July 15	June 30
Do., 2nd pfd. ...	75c	July 15	June 30
Premier Gold	3c	July 15	June 12
Do., extra	1c	July 15	June 12
Prov. Bank	$1.50	June 1	May 15
Pressed Metals	37½c	July 1	June 15
Reliance Grain, p.	$1.62½	June 15	May 31
Reno Gold M.	3c	July 2	June 10
Rolland Pap., pf.	$1.50	June 1	May 18
Royal Bank	$2	June 1	Apr. 30
Royalite Oil	50c	June 1	May 15
Do., extra	25c	June 1	May 15
Real Est. Loan	$1	July 2	June 17
R. S. Mills, A	50c	July 2	June 12
South. Can. Pr., pf.	$1.50	July 15	June 20
Sher.-Williams, p.	a$1.75	July 2	June 15
Siscoe Gold	5c	June 15	May 30
Trans. Can. Shs., A	0.2332	June 1	....
Tuckett Tob., pfd.	$1.75	July 15	June 30
Union Gas	†10c	June 15	May 28
Ventures	‡2½c	July 2	June 15
Walker-Good.	50c	June 15	May 25
Do., pref.	25c	July 15	May 25
W.-Hargreaves	10c	July 1	June 10
Do., extra	5c	July 1	June 10

†Interim. ‡Initial. aFor quarter ended Aug. 31, 1934.

Trans-Canada Shares Pay Dividend of 23.32c. a Sh.

Dividend of 23.32 cents a share is being paid June 1 on Trans-Canada shares. This compares with payment of 19.27 cents a share on June 1, 1935.

Trans-Canada shares are proportionate units in a fixed trust holding common shares of 15 of the leading Canadian industrial, merchandising and mining companies.

The shares are distributed by Trans-Canada Investment Corp., Vancouver, at prices based upon current market values of the shares held by the fixed trust.

New Issue.

$6,144,000

City of Toronto

2%, 2½%, 3% Serial Instalment Debentures

To be dated June 1st, 1936 — To mature June 1st, 1937-1956

Principal and semi-annual interest (June 1st and December 1st) payable in lawful money of Canada at the City Treasurer's Office in Toronto. Coupon debentures in the denomination of $1,000. Provision is made for registration as to principal only.

Legal Opinion of Messrs. Clarke, Swabey and McLean.

These Debentures are a direct obligation of the City of Toronto

The schedule of maturities, offering prices and other particulars may be obtained upon request.

R. A. Daly & Co. Limited
Dyment, Anderson & Co.
J. L. Graham & Co. Limited
Midland Securities Corporation Limited
Cochran, Murray & Co. Limited
Flemming & Company
Matthews & Company
Fry & Company

The statements contained in this advertisement are based on information which we believe to be reliable, but are not guaranteed by us.

Bond Markets

Bond Prices Continue Toward Peak Levels

Market Still Expecting Rumored Dominion Government Financing

With high grade government bonds selling within a shade of their peak, the market would appear to be ripe for the Dominion government issue which has been rumored in recent weeks. In view of pending provincial issues, however, it seems unlikely that the Ottawa government will enter the market immediately.

The excellent prices obtained for the Toronto, Nova Scotia and Saint John issues are an indication of the underlying strength of the market.

The city of Toronto issue of $6.1 millions has gone very well, a large part of the short term bonds being taken up by the banks.

Considering it is a long term issue, a good reception has been given to the Nova Scotia issue of $4.5 millions of 3¼ per cent bonds.

Market protection for 30 days given to the projected $10 millions of refinancing by the Hydro-Electric Power Commission of Ontario indicates that Ontario will not be undertaking any financing until the end of June at least.

The province of New Brunswick has called for tenders on $5.3 millions of bonds.

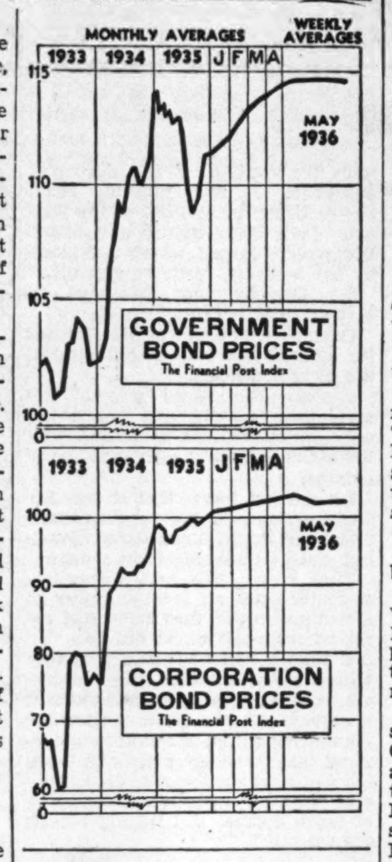
While a considerable amount of corporation refunding still remains in the offing it is not likely that any financing of this nature will be undertaken in the immediate future. The present tendency is to wait until slated government financing is out of the way and recent issues have been digested.

Yields Too Low

WITH yields on high-grade bonds continuing to decline, many investors who formerly invested in government bonds are seeking other outlets for their funds. This is not surprising, although it is in some cases unfortunate in that many investors cannot afford to take the risk inherent in many other securities. Government bonds, however, on the basis of present yields can hardly be considered attractive investments.

Whereas in the past the governments were paying too much on their borrowings it would now appear that they are paying too little.

It is very doubtful whether the prices of government bonds can be justified when the financial position of the governments is taken into consideration. The credit standing of the Dominion and provincial governments is not as good as it was before the depression and for this reason the element of risk in these bonds is much greater than it was then. Yet the bonds are selling at substantially higher prices. Because of the large surplus of funds seeking investment the credit standing of the borrowing body is not being given proper weight.



* * *

Western Bonds

MOVING in sympathy with the high-grade market, prices of western provincial bonds have strengthened.

The greatest improvement has been shown in prices of Alberta issues despite the fact that news emanating from Ottawa with regard to the conference between Alberta and Dominion officials has not been particularly encouraging. Advances have been recorded in every Alberta issue, the high coupon bonds moving up 2 to 3 points.

While prices have improved there has been little trading. This is particularly true of Alberta issues.

* * *

High Grade Issues

THE Financial Post index of high-grade government bonds is at the highest point for the year to date, namely 114.78. This compares with a high of 114.97 in 1935 and 115.00 in 1934. The average yield, however, is lower than either of those two years.

In view of the strong tone of the market the Dominion government should be able to obtain an attractive price for any financing it may decide to undertake.

The trend of the high-grade market is indicated below:

The Financial Post Average Yield and Price for High-Grade Government Bonds

1936	Yield %	Price $	1935	Yield %	Price $
May 26	3.272	114.78	May 27	3.507	113.25
May 26	....	......	May 27	3.507	113.25
May 23	3.273	114.75	May 25	3.496	113.32
May 22	3.273	114.75	May 23	3.506	113.25
May 20	3.283	114.66	May 22	3.503	113.28
May 21	3.283	114.65	May 21	3.484	113.44
May 19	3.284	114.64	May 20	3.481	113.48
Year's	3.273	114.75	Year's	3.367	114.97
Range	3.597	111.50	Range	4.097	106.57

Municipal Finances

Calgary cannot be included in the Alberta government's plan to refund the debt of the province, it has been officially announced. Tentative application to include Calgary in the government's refunding plan was made when a committee of the city council conferred with Premier Aberhart and his cabinet recently. Meanwhile Calgary faces a financial crisis which may bring default. Relief costs for the first four months of the year were $25,000 higher than in the same period of 1935, amounting to $559,614.

* * *

Edmonton tax collections to May 15 amounted to $1,752,000, an increase of $21,000 over the corresponding period of 1935. Marked improvement has been shown in current collections which total $1,427,000 as against $1,286,000 in the same period last year. Arrears, however, have slumped with only $311,000 collected this year compared with $427,000 a year ago.

* * *

Hull, P.Q., reports a deficit of $39,453 for the year ended April 30. Revenue for the year totalled $676,316 and expenditures $715,770. Expenditures include the city's share of direct relief amounting to $52,467.

* * *

Ottawa has requested its city solicitor to see whether unexpended debenture balances of $485,563 can be used for new capital works, other than the uses specifically applying to each of the debenture by-laws.

* * *

Saint John, N.B., has been granted a credit of $650,000 by its banker. In doing so, however, the bank draws the attention of the city council to the unfavorable trend in the city's finances as is apparent from the steadily increasing bank indebtedness. The bank suggests necessary steps to remedy the situation should not be further delayed. At the present time the city is faced with the problem of finding further funds for direct relief as the provincial government has announced that provincial relief grants will be halted on May 31.

SALE

Province of New Brunswick, Canada

$5,342,000.00

Sinking Fund Debentures

The Government of the Province of New Brunswick will receive tenders up to three o'clock P.M., A.S.T., on the 2nd day of June, 1936, for $5,342,000.00 province of New Brunswick debentures as follows:

Debentures to be dated the 15th day of June, A.D., 1936, interest to be payable half-yearly on the 15th day of December and the 15th day of June, principal and interest payable in lawful money of Canada at the office of the Provincial Secretary-Treasurer, Fredericton, N.B., or at the Bank of Montreal in Halifax, Charlottetown, Saint John, Montreal, Toronto, Winnipeg or Vancouver, Canada.

Debentures to be in denominations of $1,000.00 or $500.00 at the option of the purchaser with coupons attached and may be registered as to principal only on payment of registration fee. Full payment for debentures to be made at the Bank of Montreal, Fredericton, N.B., upon delivery of interim securities at said bank.

Interim Securities to be exchanged for Definitive Engraved Debentures on completion.

Definitive Debentures to be delivered to the purchaser at place named by him.

Tenders may be made for said debentures on the basis following:

Ten year term with interest at 3%.

Fifteen year term with interest at 3¼%.

Twenty year term with interest at 3½%.

Tenders may also be made for the said debentures on the same basis but callable in whole or in part at 101 and accrued interest at any interest date after five years from date of issue.

Sealed tenders endorsed "TENDERS FOR PROVINCE OF NEW BRUNSWICK DEBENTURES" should be addressed to the Provincial Treasurer, Fredericton, New Brunswick, Canada.

Tenders must be for the amount offered and must be accompanied by a marked cheque for $10,000.00 to be applied in the case of the successful tenderer as part payment for the debentures. All bids to be made in Fredericton funds.

The above debentures will be issued as authorized by Acts of the Legislative Assembly of New Brunswick for the following purposes:

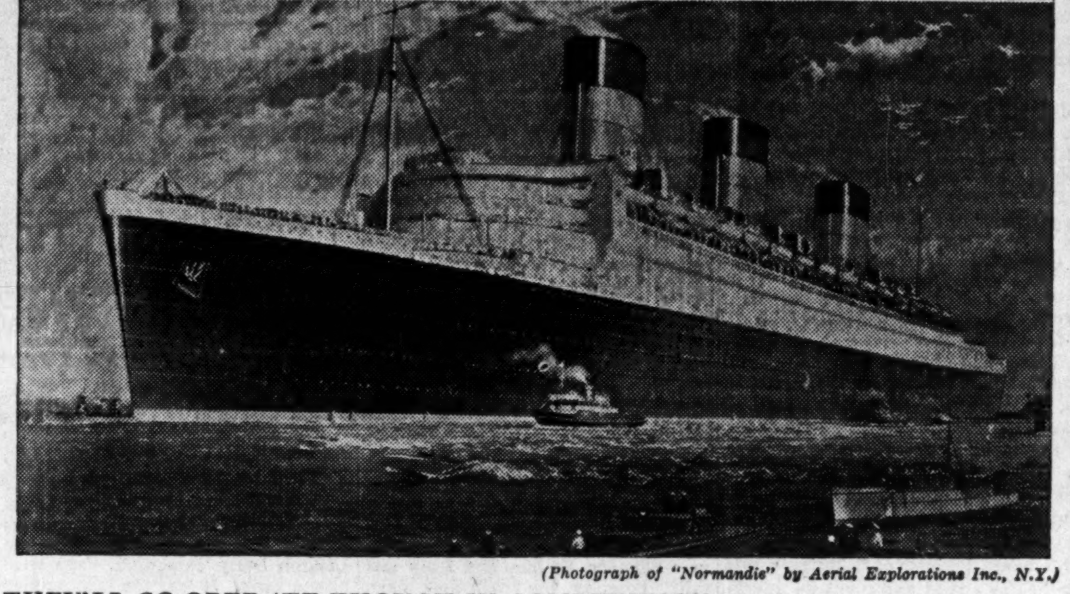
Refund of issue falling due June 15, 1936	$2,792,000
Capital Highway expenditures	2,150,000
Permanent Bridges	400,000

A sinking fund of ½ of 1% will be provided yearly during the term of the bonds, plus such additional amount as may from time to time be required by law.

The highest or any tender not necessarily accepted.

CLOVIS T. RICHARD,
Provincial Secretary-Treasurer.

Fredericton, N.B. May 23rd, 1936.



(Photograph of "Normandie" by Aerial Explorations Inc., N.Y.)

THEY'LL CO-OPERATE THOUGH IN COMPETITION

The battle is on for supremacy of the seas.

The struggle has been boomed for months and this week saw the "Queen Mary" (below), Britain's last word in luxurious liner construction out to wrest the crown as the world's fastest passenger steamer from the "Normandie" (above), France's pride.

But the battle of the titans will be bloodless.

They will be friendly rivals. They will not engage in cut-throat competition for the transatlantic passenger rush but, instead, will put transportation co-operation on a new plane.

Whatever the outcome of the speed competition between the Cunard White Star's "Queen Mary" and the French Line's "Normandie," the travelling public will benefit. It will be possible, for example, to sail from New York on the "Queen Mary," spend two full days in England, and return on the next sailing of the "Normandie" from Southampton.

And during the "off-season" of steamship travel, most companies sell round-trip fares at a reduced round-trip price with the traveller able to make an interchange of the return half of his ticket by which he can return on the ship of another line, if there is no convenient return sailing date scheduled for ships of the line from which he first purchased his ticket.

Even the sailing dates have been arranged so that the departures of the boats do not clash.

Each Wednesday "Queen Mary" will leave New York or Southampton, and each Wednesday, also, "Normandie" will leave Southampton or New York in the opposite direction. The trip is expected to be made on a four-days' run, with "Queen Mary" and "Normandie" crossing each other's paths in mid-ocean. The maiden voyage of "Queen Mary" on Wednesday of this week will be followed by the return trip from New York to Southampton on June 5, and thereafter the regular weekly sailings will follow each Wednesday. "Normandie," likewise, will sail each Wednesday from the opposite side of the Atlantic.

On ships of the class of "Queen Mary" and "Normandie," the comfort and convenience of travel goes without saying. In comparison, however, with the accommodation of even a few years ago, improvements are present in both ships. Each, for example, has swimming pools for all classes of travellers, the "Queen Mary" boasts a "kosher kitchen" among other innovations, for the use of Jewish passengers.

But to compare the two ships among steamship men is a dangerous pastime. For one thing, no one can actually say which ship is faster until "Queen Mary" hits her transatlantic stride. She has, however, more powerful engines.

In length, too, "Queen Mary" is said to be longer at the water-line than the "Normandie," but the latter has a longer bow, and outdistances "Queen Mary" by about eleven feet as a result.

Bond Dealers Go to Jasper

Investment Dealers' Meetings Attract Large Number

Preparations are nearly complete for the twentieth annual meeting of the Investment Dealers Association of Canada which is being held this year at Jasper Park Lodge, Alberta, June 15 to 18.

About 40 representatives of eastern member houses of the association will travel by special cars to Jasper Park, leaving Toronto on June 12.

J. Ernest Savard, Montreal athlete, expert golfer and owner of Les Canadiens, professional hockey team, is the retiring president, and will dine the retiring executive committee on June 15. This will be followed by a general meeting of the Dominion executive.

The annual meeting itself will be held on the morning of June 16 and reports will be presented and new officers elected.

The Financial Post will have two representatives in attendance.

The list of those who have signified their intention of making the journey to Jasper is as follows:

Halifax

D. Wood .... McIntosh & Co. Limited

London

C. E. Isard ...... Isard, Robertson & Co.
D. B. Weldon ... Midland Securities Corp.

Calgary

C. R. Tanner ... R. A. Daly & Co.
A. H. Turney ... Jas. Richardson & Sons

Edmonton

D. M. Duggan .. Duggan Investments Ltd.
H. R. Brough ... Jas. Richardson & Sons
F. R. George ... Jas. Richardson & Sons
C. Brown .... Edmonton Journal

Montreal

Jos. Beaubien, Jr. L. G. Beaubien & Co.
Gérard Gingras . L. G. Beaubien & Co.
W. T. K. Collier. Collier, Norris & Henderson
H. B. Norris .... Collier, Norris & Henderson
E. Cumberland . Hanson Bros. Inc.
G. G. Hyde, K.C. Hyde, Ahern, Puddicombe
H. Hannaford ... McTaggart, Hannaford, Birks & Co.
J. Ernest Savard. Ernest Savard Ltd.
L. P. Gélinas ... Ernest Savard Ltd.
Weir Wright .... Wright, Henderson & Co.
C. Petch .... Aldred & Co.

Winnipeg

W. E. Gower .... Melady, Sellers & Co.
H. G. Nares .... Osler, Hammond & Nanton
R. D. Baker .... J. Richardson & Sons
G. A. Gray ..... J. Richardson & Sons
D. B. Shaw ..... A. E. Ames & Co.
J. Gillespie .... Bell, Gouinlock & Gillespie
J. A. Thompson.. Dom. Securities Corp.
D. B. Shaw ..... A. E. Ames & Co.
A.H. Williamson . Wood, Gundy & Co.

Toronto

J. B. Ridley .... A. E. Ames & Co.
A. B. Cayley ... Bartlett, Cayley & Co.
R. W. Gouinlock. Bell, Gouinlock & Co.
C. A. Cathers .. Brawley, Cathers & Co.
H. E. Cochran .. Cochran, Murray & Co.
J. C. Hope ..... Dom. Securities Corp.
K. M. Pringle ... Dom. Securities Corp.
B. German ..... Greenshields & Co.
A. J. Milner .... Mills, Spence & Co.
J. P. Crysdale .. Gairdner & Co.
C. R. Tanner .... R. A. Daly & Co.
D. R. A. Walker. Wood, Gundy & Co.
A. E. Oliver .... Wood, Gundy & Co.
J. L. Graham .. J. L. Graham & Co.
J. A. Kingsmill. Secy. Investm't Dealers' Assoc.
C. W. Stollery .. The Financial Post
D. M. Gowdy .. The Financial Post

Vancouver

F. E. Hall ...... Hall, Holland & Co.
J. A. McMahon.. Hall, Holland & Co.
G. MacDonald ... C. M. Oliver & Co.
G. Henley ...... C. M. Oliver & Co.
R. M. Brink .... Pemberton & Son
W. J. Borrie .... Pemberton & Son
A. M. Robertson . Robb, Robertson & Birch
D. C. Birch ..... Robb, Robertson & Birch
E. G. Hurrell ... The Western City Co.
P. A. Wootten .. The Western City Co.
Ross Wilson .... A. E. Ames & Co.
D. Lauder ...... Dom. Securities Corp.
M. F. Wardhaugh. Nesbitt, Thomson & Co.
D. N. Knight .... Wood, Gundy & Co.
J. Patterson .... Jukes & Co.

Quebec Sells $15.4 Millions Of Bonds in Fiscal Year

From Our Own Correspondent

MONTREAL. — Since July 1 last, the beginning of the province's fiscal year, Quebec has sold $15,428,000 of bonds, as follows: $10 millions, 2 years, par and accrued interest, 2½ per cent; $5 millions 3 years, par and accrued interest, 2½ per cent.; and $428,000, 25 years, par and accrued interest, 3½ per cent.

The bonds were not offered to the public, but were disposed of through private sale to the bankers of the province,

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Ontario Steel ...	6%	1943	July 1	110
Robt. Simpson ..	5%	1952	July 1	105
Imperial Realty.	6%	1945	July 1	102
Catholic Epis. Corp. Timiskaming† ..	5½	1932-56	July 2	101
Dom. Canners ..	6%	1940	Oct. 1	110
Can. Realty	6%	Serial	June 1	105
Saguenay Pr. ..	6%	1966	July 1	104½
Can. Canners ...	6%	1950	July 2	105
St. Law. Flour..	6%	1941	July 1	110
Maple L. Asbestos	7%	1944	June 1	102
Digby Gen. Hospital	6%	....	June 1	101
Famous Players..	6%	1948	July 1	103
Do., ...	6½%	1948	July 1	103
Inter. C. Baking	‡5½%	1948	July 1	103½
Do., ...	•5½%	1948	July 1	103½

† $65,000.
‡ $36,000 for sinking fund purposes.
• $164,000 called under redemption provisions.

Stock Issues:	Rate	Stock	Date	Price
Brant. Cordage	8%	Pref.	July 15	102

Religious Issues

Sisters of Charity, Qué., 5%, July 1.*
Fab. Sainte-Thérèse de Blainville, émission juillet 1925, 5%, July 1.*
Pères Eudistes, de la Province de Qué., émission $130,000, 5%, July 1.†
Sisters of Charity of Saint-Louis, Bienville 5½%, July 1.†
Fab. Saint-Jean Damascène, Montréal, émission 1930, $85,000, 5½%, July 1.▲
Diocese of Timiskaming, émission $65,000, 5½%, 1932-56, July 1.†
Notre D. Hospital, Montréal, 5½%, Oct. 1.▲
Le College de Notre D. Cote des Neiges, 5½%, 1936-52, June 1.†

*Price 100; ▲102; †101; ■100½.

COUNTY OF DUFFERIN

Debentures for Sale

Sealed tenders marked (Tenders for Debentures) and addressed to Treasurer of the County of Dufferin, Box 210, Orangeville, Ontario, will be received up to 12 o'clock noon, Tuesday, June 16th, 1936, for the purchase of $62,000.00. 3½% Interest. Coupons attached. Bonds maturing 1936-1950. Interest payable yearly. The highest or any tender not necessarily accepted.

JAMES HENDERSON,
Treasurer, Co. of Dufferin.

Prospectus and annual report of Canadian Investment Fund, Ltd., obtainable from your own investment dealer.

CALVIN BULLOCK, LTD.

Vancouver Bondholders Meet July 6

Eight Refunding Proposals Have Been Drafted For Council

VANCOUVER.—Holders of Vancouver's bonds are to be invited to meet civic officials here July 6 to discuss a proposal for refunding of the city's debenture debt of $74 millions. Prior to the meeting, the city will obtain the advice of bond dealers as to which of eight schemes suggested to the city council should be presented to bondholders.

Three of the schemes, prepared by acting comptroller Frank Jones at the council's request, provide for refunding the entire debt at a 3 per cent rate. Two of them are on a 25-year basis and one on a 30-year basis.

Five other plans, drafted by Ald. G. C. Miller, provide for a 5-year reduction in interest rates, after which they would be restored to the original basis.

Would Extend Maturities

The refunding schemes drawn up by the comptroller provide for maturity of the entire debt at the end of the period fixed in the refunding arrangement—25 or 30 years. As maturities are progressively reached, under the present set-up, over a period of 35 years, it would mean an extension of maturities in most cases as well as a reduction in the rate of interest.

Under the first of the comptroller's proposals provision is made for refunding on a 25-year basis with no cessation of payments into sinking fund. The existing fund of $18.5 millions compounded at 3 per cent would reach $38.9 millions at the end of 25 years. This would leave $35.5 millions to be obtained by annual levies of $974,350 until the end of the term.

The second scheme is also on a 25-year basis, but makes no provision for sinking fund for the first 5 years. Although this means a large saving for the city during the first 5 years, it results in a heavier load of sinking fund installments in ensuing years.

Over the entire period the first scheme would mean a saving in total debt charges of $3.2 millions and the second scheme a saving of $1.1 million. The third scheme, however, which is on a 30-year basis, would result in an increase in total debt charges over the period of over $2 millions as compared with the charges under the existing set-up.

Under all three schemes the city would be able to liquidate the amount owing to sinking fund. At the end of 1935 this amounted to $8.5 millions and by the end of 1936 will be increased by $1.5 million, as no provision was made in the 1936 budget for sinking fund charges.

Bond Sales

Saint John

Saint John, N. B., has sold $129,000 of serial debentures to Griffis, Fairclough & Norsworthy, Toronto, at a price of $100.58. The cost basis to the city was approximately 3.30 per cent. The issue is divided into two groups: $66,000 of 3 per cent serial debentures maturing from 1937-46; and $63,000 of 3½ per cent serial debentures maturing 1937-56. Bids for the entire issue were as follows:

	Bids
Griffis, Fairclough & Norsworthy	100.58
Nesbitt, Thomson & Co.	98.307
A. E. Ames & Co.	98.28
Wood, Gundy & Co.	98.02
Dominion Securities Corp.	97.89

Public Utility Earnings

Brazilian Traction

April	1936 $	1935 $	Increase $
Gross earn. .	2,515,337	2,452,156	63,181
Oper. exps..	1,134,006	1,144,209	*10,203
Net earn. ..	1,381,331	1,307,947	73,384
Aggre. gross from Jan. 1	9,921,954	10,030,220	*108,266
Aggre. net from Jan. 1	5,349,860	5,340,446	9,414

* Decrease.

Mexican Light & Power

March	1936 $	1935 $	Increase $
Gross earn. .	680,832	635,801	45,031
Oper. exps. & deprec. ...	461,011	453,084	7,927
Net earn. ...	219,821	182,717	37,104
3 Mos. end. Mar. 31			
Gross earn. .	2,035,258	1,925,368	109,870
Oper. exps. & deprec. ...	1,359,507	1,335,050	24,457
Net earn. ..	675,751	590,338	85,413

Bond Tenders

3 p.m., June 2, Province of New Brunswick — $5,342,000 debentures dated June 15, 1936, as follows: 3 per cent 10-year; or 3¼ per cent 15-year; or 3½ per cent 20-year. Clovis T. Richard, provincial sec.-treas. (See announcement on page 5).

12 noon, June 16, County of Dufferin—$62,000, 3½ per cent bonds, maturing 1936-1950. James Henderson, treas. Box 210 Orangeville. (See announcement on page 5).

You'll ENJOY Bigwin. Healthful highlands. Gorgeous natural loveliness. And in the midst of it, as fine accommodation and cuisine as the most modern hotel can afford.

Musical exercises on the beach under Mollie Maw; Golf on 6,000-yard, 18-hole course in charge of Alex. Cranston; Actors Colony Theatre Players; Talkies, Tennis, Dancing, Sunday night concert with guest artists, Sailing, Canoeing and Swimming—everything.

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Room with Bath: $6.00 single, $11.00 double and up.

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LAKE OF BAYS ONTARIO

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TORONTO, MAY 30, 1936

How Hydro Does Better

ONTARIO'S great publicly owned power venture will show a net improvement of $6 millions this year on its Niagara system alone. So claims Premier Hepburn. He cites figures for the first six months to prove his claim. A deficit of $1.6 millions has been turned to a surplus of $1.1 millions. But of the gain of $2.7 millions, no less than $2.2 millions represents savings due to the cancellation of power contracts made with Quebec companies. In the words of Mr. Hepburn:

> " . . . the balance was due to increased efficiency, reduction in the costs of administration and general economic improvement."

Thus Hydro's improvements are 81 per cent the result of swindling investors and 19 per cent the result of economies and better business. It is not a record to be proud of.

Friendly Competitors

KEEN indeed will be the competition between the British "Queen Mary" and the French "Normandie"; competition to please travellers, to speed them safely across the ocean, to win prestige and publicity for the lines that operate the ships.

The maritime traditions and ambitions of two separate nations are at stake. The "Normandie" won for France the mythical but vitally important Blue Ribbon of the Atlantic. The "Queen Mary" within a few days may have won it back for Great Britain.

Yet vigorous as is the commercial rivalry between the two great sea queens and the institutions they represent, the competition will not be of the "cut-throat" character that is good neither for business nor the travelling public.

Already the "Queen Mary" and the "Normandie" have made arrangements to alternate in their weekly crossings so that the two liners will provide a complementary service on the Atlantic. And, except in peak seasons, return tickets sold for one vessel will be good on the other! In fact, exchange of tickets is possible on almost any vessels of similar class on the North Atlantic.

What an example to our two major railways in Canada. Efforts at "co-ordination" between the two railways have resulted in savings of about $1,250,000 a year, a trifling sum compared with the enormous cost of operating parallel lines, duplicate trains, unnecessarily competitive express and telegraph services, even half empty but competing hotels.

If France and Britain, along with other countries, can find a way to maintain competition on the ocean and at the same time eliminate the more costly and futile phases of that competition to the minimum, surely two Canadian-owned and operated railway lines, each one a national enterprise, ought to be able to go much further than they have gone in getting together to end senseless duplication of expense.

Long Term Borrowing

THE province of Nova Scotia recently sold $4.6 millions of 20-year debentures carrying 3¼ per cent interest at a price of 98.277. In inviting tenders for its bonds, the province called for bids on bonds of various coupons and for both long and short terms. It could, for instance, have accepted a bid of 98.777 for 10-year bonds carrying 3 per cent interest.

To the layman, it may seem inconsistent to sell 3¼ per cent bonds at 98.277 when 3 per cent bonds could have been sold for a higher price. The important difference is that the 3¼ per cent bonds run for 20 years whereas the 3's would have become due in 10 years.

The province is following the conservative course. Its sale of bonds indicates the opinion of government authorities that it is wise to sell the longer term bonds, even at a somewhat higher cost, at present low interest rates. The opinion implicit in the deal is that interest rates may rise within the next ten years and that it is best to make sure that the advantage of low rates will be retained by the province over the longest feasible term.

The Financial Post has pointed out on various occasions the signal of danger in continued short-term borrowing by governments. It indicates either inability to market long-term bonds, an augury of possible financial crisis; or inferior financial judgment. There is no indication that interest rates will rise suddenly, although it is a possibility, but financial history and well-informed opinion indicate that when interest rates are at the lowest point in more than a generation it is wise for borrowers to accept a low rate for the longest possible period, rather than to jump at the lowest rate which may only be available for a few years.

Simple Words, But Wise

GOVERNOR ALFRED LANDON of Kansas is no orator but he speaks the human language of every-day conversation. He addressed university students the other day and urged them to face life with courage and not in the spirit of defeat, that is so marked among youth today. Certain sayings have been handed down from generation to generation, such as "His word is as good as his bond," "He is a man of principle" or "Man cannot live by bread alone." These and similar axioms have endured because they are fundamentally right and true and apply to every generation, said the Kansas governor.

Governor Landon refused to admit that the United States is through. What he said applies with even greater force to Canada, where thousands of college graduates are now facing life:

> "There are too many prophets today preaching the doctrine of despair. One such gentleman even went so far as to say there are millions of Americans now alive who will never again be self-supporting. Such a doctrine might have a grain of truth in it if we were living in an old country whose resources have been exhausted. But, in a young and rich country such as ours, your own horse sense will tell you that such a doctrine is sheer nonsense.
>
> "We have no place in America today for quitters. Quitters did not make Kansas. They did not make America."

Now, as in every time of depression or calamity, there is a tendency to overthrow the fundamental truths of life that have been learned from long experience. But change just for the sake of change is fruitless. As Kansas's hope for the presidency put it:

> "As you go through life one of your duties as an educated citizen will be to keep your minds open to the possible needs for change in government to meet our rapidly changing life. You will also have to see that no basic changes are made until the people of your community really understand what it is they are trying to change.
>
> "You will meet the urgings of some who would solve your difficulties by changing everything; of others whose veneration for the past causes them to be shocked at the thought of changing anything. Change is only dangerous when people do not really understand what it is they are trying to change."

These are simple words but wise ones.

Service at What Cost?

IN TORONTO both the light and power systems and the street railway system are publicly owned and operated. Toronto is usually regarded as the pivot of successful public ownership ventures in Canada and the apostles of State Socialism in that city are wont to boast of the low rates that "service-at-cost" produces in the field of light and power.

Yet what does the publicly owned street railway system think of the publicly owned power system? The answer is to be found in the annual report of the general manager of the Toronto Transportation Commission, just published:

> "One outstanding economy which still awaits specific action is a reduction in the cost of power. Continued investigation of this important expenditure only confirms the findings of past years, namely, that the Commission is charged rates greatly in excess of those paid by other comparable street railways. There is no doubt that the Commission could generate its own power requirements by a steam plant in Toronto at a substantial saving even after providing for carrying charges on the large capital investment which would be required. With the large excess of power which is reported to exist in the Province, such action on the part of the Commission would seem to be an economic waste. Yet the present situation continues to be highly unsatisfactory."

"Service-at-cost" apparently means "service-at-excessive-cost." Or can it be that those who run Toronto's hydro-electric system are able to provide cheap rates for householders only by soaking other public utilities, industries, and other large power users? There is more than a suspicion that this is the actual case.

Visible Taxation

A SALES tax of eight per cent is without doubt a heavy burden on the trade of the country. It is not only that prices are enhanced to consumers who buy commodities, but business activity in the country must be sensibly reduced by taxation so onerous. The incomes of Canadians are lessened, not only by the amount contributed as taxation, but by the slackened pace of business, held back by the braking effect of this and other taxes. Taxes, to some extent, are the result of unemployment, since the unemployed must be looked after. But they are also the cause of further unemployment.

This does not mean that Mr. Dunning had any other alternative than the increase of the sales tax, for taxes there must be if the budget is ever again to be brought into balance. But it is altogether proper that people should feel the weight of taxation, should realize the extent of its burdens, and should object to it. For today's taxation is not altogether the result of difficulties and follies of the past. A good deal of it is the result of continuing follies, follies which will not be abandoned until there is enough objection to their cost.

From the standpoint of a government the best tax is the least apparent tax, or the one least apparent to the majority of people, because it causes the least objection. But from the standpoint of good government the best taxes are probably the most apparent, and those which are visible in their effects to the greatest number of people. The worst feature of the sales tax is that it is not "visible" enough.

It is objected to in the sales tax that it lays burdens on the poor, which is both a correct statement and a sound objection. But so do practically all other taxes that can be devised. Voters may have thought at one time that it was possible for governments to spend money that should not come out of their pockets. Unfortunately it is a fallacious belief, and one of the merits of the sales tax is that it exposes the fallacy.

Editorial Notes

One of the candidates for the Ontario Conservative leadership writes The Post, "I have done nothing to promote my own candidature, believing that the office should seek the man." True it "should" but if he thinks it "will" he believes in fairies.

* * *

Major Douglas attacks Premier Aberhart's Social Credit notions. But that was to be expected. So long as Social Credit remains merely a cobwebby plan on paper it will have its followers. Once it is tried in practice its basic weaknesses will be demonstrated.

* * *

A reader of The Post sends us a draft of a proposal to issue new money against our gold holdings and adds as one of his arguments, "It would only be a short time before our unemployed were wiped out." And as another, "The country would be prepared for larger emigration." After reading over the plan we are inclined to agree with him as to the results.

* * *

The Congressman who suggested a Union of Canada and the United States may not be more than two or three generations ahead of his time. Most Canadian comment on the suggestion assumed that Representative Sirovich was urging annexation of Canada. Instead he proposed the union of two equal nations. There are those who believe that ultimately the United States will return as a member of the British Commonwealth of Nations.

* * *

Hon. J. E. Michaud, minister of fisheries, wants to popularize fish as a food and plans an advertising campaign to that end. That is good business. But fish must continue to have a limited market in Canada until the problem of price is solved. To put enough fresh salmon or halibut or whitefish on the table of an Ontario workingman to feed a family of five or six cannot be done for much less than $1. At that price, the average workingman cannot afford to "Eat More Fish."

* * *

On complex tariff questions, ministers of finance have to rely upon the technical advice of their officers. Changing the tariff on ethylene glycol, Mr. Dunning admitted that he knew little about the item. Mr. Bennett added, "I do not understand it yet; I never did." On another item Mr. Dunning said of Mr. Bennett's comments: "I can see my right hon. friend has been through the whole course of instruction from the administrative department which a minister of finance must take in these matters." This concentration of power in the hands of civil servants induced Lord Hewart to write his book on "The New Despotism." Yet Britain is admitted to have the finest, best trained, most independent civil service in the world. Canada is fortunate in having in the Tariff Board, the Department of Finance and the Department of National Revenue officers of unquestioned competence and integrity. The minister is not likely to make serious blunders if, in complicated matters of such minor importance, he takes their advice.

Sayings of the Week

"I am unorthodox in the matter of balancing budgets."—*Miss Agnes Macphail, M.P.*

* * *

"We have had no political education in this country."—*Senator George Lynch-Staunton.*

* * *

"We are not afraid of any criticism that may be levelled against social credit."—*E. J. Poole, M.P. for Red Deer.*

* * *

"I own a car, though I do not drive. I should like to live a while longer and that is why I do not drive."—*T. L. Church, M.P.*

* * *

"The fact that Hitler is entirely sincere is perhaps the gravest, most sinister element in the whole situation."—*Sir Norman Angell.*

* * *

"We should think of business first and of political sniping afterwards. I for one am sick of it."—*Mrs. M. L. Black, M.P. for Yukon.*

* * *

"In both Houses there are probably not altogether ten members who know very much about the subject of free ports."—*Senator Dandurand.*

* * *

"I believe our destiny is to become a great northern nation, not a vest pocket edition of the United States of America."—*H. C. Green, M.P. for Vancouver South.*

* * *

"International trade has the distinction of being one of the few realms of business where almost everyone believes it is more blessed to give than to receive."—*Walter Lippmann.*

* * *

"Like all other politicians on both sides of the house, I am a little more sympathetic, when the law permits it, to those who have been working for my party."—*Hon. P. J. A. Cardin, K.C., M.P.*

* * *

"Perhaps when the members for Grey-Bruce (Miss Macphail) and the Yukon (Mrs. Black) next have their teacups read, a Prince Charming will be revealed."—*H. E. Wilton, M.P. for Hamilton West.*

* * *

"The Social Credit group will pay their dividend in a period of boom years, and the people of Canada will have to pay it back in periods of depression."—*R. J. Deachman, M.P. for Huron North.*

* * *

"It is becoming a gold-digging proposition with all governments to get money out of the business world in every possible way, whether or not it is making money."—*David Spence, M.P. for Parkdale.*

* * *

"In the new era of exaggerated state control, the initiative that went with individual enterprise is gradually disappearing, and with it the dignity that goes with personal responsibility." —*H. R. Fleming, M.P. for Humboldt.*

* * *

"If war or disaster of any kind comes upon this country, the people will be forced into service. They have the right to know beforehand what are the policies of this government and what we are headed for."—*J. S. Woodsworth, M.P.*

* * *

"Formerly we paid only $1 a year for a radio license and broadcasting stations were operated at a profit by owners. Today we pay $2 a year and the revenue is not sufficient to pay the cost of government operation." — *Senator J. P. B. Casgrain.*

* * *

"Gentlemen of the Social Credit party should see to it that 'Have-a-Heart' has a heart for his people and gives them that $25 a month which he promised them, instead of coming to Ottawa to seek it from the government."—*R. E. Finn, M.P. for Halifax.*

* * *

"We talk about a loan council. I say that Parliament has been looted enough and the time has come to put the brakes on in connection with loans, loan councils and all sorts of loans running into hundreds of millions of dollars." — *T. L. Church, M.P.*

—*Drawn for The Financial Post by R. Kaell.*

HARD TO SAY WHICH IS THE WORST

It Happened in Malta

From mouth to mouth there has been whispered throughout Canada recently the almost incredible tale of how a British officer, in command of the Malta base, stopped a possible war between Britain and Italy last fall. Possibly the yarn has been published. We did not see it in print until Raymond Moley's paper, "Today," told it last week. "To-day" vouches for it as being true, although reconstruction of the tale is embellished with conversations and names that are the product of imagination and the article is not signed. Otherwise "Today's" account is the same as that which has been going the rounds of the clubs and messes in Canada.

When the British fleet moved into the Mediterranean last fall there were two Italian submarines under command of an officer who may be called Captain Alessandro Rinucchini in the southern Adriatic. Both were of the Batilla class.

Enters Malta Harbor

Captain Rinucchini received orders to "reconnoitre continuously within 100 miles of your present position." He cruised toward the British fortress, dived and came up off the lighthouse at Valetta just in time to see the last blinks of the light before the British keeper turned it off. He called for the depth charts of the Outer Harbor of Malta. Then he gave the order for both submarines to proceed into the harbor at a depth of 10 feet.

Even the censored Italian press had never concealed the fact that the waters of the entrance to Malta were sown with mines big enough to blow up the Rex. But the submarines, their underwater ears attuned for the sound of the propellers of a British warship, crept into the great harbor of the chief British base in the Mediterranean.

For fear of detection they could no longer speak to each other by radio, but their operators were listening every second.

Somewhere in the channels between scores of mines bobbed under the water.

Lieutenant-General "Sir Ormsby Barnett," which is "To-day's" name for a chief British official of Malta who must remain unknown, was quietly reading the copies of the London Daily Telegraph. The telephone rang. It was the commander of the Naval Authority of the port.

"Sir, I have to report that two submarines of unknown nationality have just entered the Outer Harbor." He added, "They are still submerged and have made no announcement of their arrival to the proper authorities."

"Are they proceeding," Sir Ormsby enquired, "toward the Inner Harbor?"

"Slowly, sir . . . When our apparatus picked them up their motors sounded as though they were running at about quarter speed."

"Nothing visible above water?"

"Nothing."

Sir Ormsby drummed on his desk.

"What are their chances of blundering into one of our mines?"

"If they keep on, excellent," replied Braydon.

"Thank you." Sir Ormsby slowly hung up.

There was no message he could send to warn the Italian consul, because he had no means of proving that the submarines were Italian.

Yet if they should touch off a mine and blow their crews out of the water, it would mean war, and England was not ready for war in the Mediterranean.

He had no time to radio London for instructions. He had just one problem: to get those two submarines out into deep water without clash or accident of any kind.

A Radio Message

Suddenly he heard the far-away scratchy clawing of the radio loudspeakers in the coffee houses. The Maltesi were listening to their morning programmes of news from London, rebroadcast on the island sender.

His indecision vanished. He rang for his car and drove hurriedly down to the waterfront.

In five minutes he was talking with the captain of the destroyer squadron. A few minutes later, smoke began to boil out of the funnels of six of the British destroyers. Bluejackets leaped ashore and stood by the hawsers, ready to cast off.

Sir Ormsby then hastened to Malta's little broadcasting station.

Captain Rinucchini's two Batillas lay close to the bottom, listening to the news broadcast.

Captain Rinucchini was at the earphones himself, and heard the only announcement in Italian that the Malta station had given in many months.

He did not know that it was Sir Ormsby himself, one-time military attaché in Rome, doing the announcing, but he understood the words.

They were: "The port authorities of Malta warn all local shipping of a communication they have just received from the naval officials. In less than a half-hour and probably within a few minutes, the destroyers based here will begin important manoeuvres in the Outer Harbor for the defense of the island. It is understood that these exercises will be in the nature of a submarine drill. They will probably include the dropping of depth bombs. All fishing vessels are warned."

Exit The Submarines

The submarine Captain jerked off the earphones and sent out a staccato radio for the other Batilla to leave the harbor immediately.

His submarine was just passing the lighthouse on the sea side when the first British destroyer came racing out of the Inner Harbor. He observed from the concussions off the underwater cliffs that the British placed their first charges as far away as possible.

He went out of Malta on a long porpoise dive, and then he set his fins for deep water. Ten minutes later he was 80 feet under the sea, working at his portable typewriter. The object of his little excursion had been accomplished, he wrote, and he could report that the submarine acoustic defenses of the island of Malta were adequate and efficient.

Other People's Views

On Right Track
Winnipeg Free Press

The Canadian railways are heading in the right direction by cutting their rates and air-conditioning their transcontinental trains. They will find that it pays, in all probability, and they may find that, by going further, they can win back a still larger share of the passenger traffic and create new traffic.

Foreign Election Clap-Trap
Radio Editor of the Toronto Globe

And while we're on the subject of United States political activities, we must record with regret the fact that some Canadian stations with U. S. network affiliations are being used as outlets for chain broadcasts which are the rawest kind of electioneering clap-trap. We, as Canadians, suffer aplenty during our own election campaigns, but why any Canadian station should lend itself to foreign political hornblowing is beyond us.

Graduation Season Opens
Wall Street Journal

Alfred M. Landon may or may not occupy the White House. Quite apart from his political merits or fortunes is the fine quality of his address to the graduating class of the Attica high school, a message which the rising generation needs to hear. He rightly warned these youthful Kansans, and through them all the youth of the land, against the morbid self-pity which a certain type of present-day publicist undertakes to instill into their minds.

Governor Landon said, in effect, that the gospel of those who would teach the rising generation to weep into their bean soup over the dirty deal the world is handing them is "sheer nonsense."

Amen!

Ill-placed Advertisement
Manchester Guardian

Belgium is the latest of the European countries to check the disfigurement of her scenery by ill-placed hoardings. A royal decree has been passed which prohibits the erection of hoardings at beauty spots, tourist centres, and the entrances to villages and enjoins that where they are put up they shall be set five hundred yards back from roads, canals, and railway lines. Here, thanks to the magnificent pioneer work of Scapa—the Society for Control of the Abuses of Public Advertising—and to the legislation it secured in 1907 and 1925, the same powers of control are available. In Britain, however, the exercise of them, like much else of the kind, is left to local initiative, and in many districts the local authority remains lax. Moreover, no power exists in Britain to regulate open-air advertising in the places where regulation is most needed, the cities. The countryside can be saved if there is the will to save it, but only if a building of special architectural or historic importance in a town is menaced by a hoarding can action be taken.

At the Crossroads
St. Catharines Standard

The Ontario Tory Party is at the crossroads, and there is hardly anything more important than the calibre of the leadership to be chosen and the platform to be laid down when the Ontario rank and file convene in the last week of this month. The Standard is in the confidence of none of the Ontario committee, nor any of the aspirants for leadership, and therefore is not disposed to commend anything other than the securing of capable, honest leadership for the ominous days to come. A leadership of equivocation will never command respect, let alone votes, and will of a certainty and necessity result in the formation of a strong third party in the province.

Aberhart's Money Purge
Vancouver Sun

While we may not agree with the immediate methods of Alberta's Premier Aberhart nor with the theories and promises that thrust him into office, we cannot but feel that his bold step away from the formalities of the money system will in the end be productive of national good.

Repudiation is always an ugly word.

But the repudiation which Aberhart pursues in his "perpetual securities" plan is a repudiation, not so much of an obligation as of a hopeless and illogical financial system.

Indeed, so utterly cockeyed is this system that one wonders sometimes how any sane nation can adhere to it.

Ottawa, for instance, gets money at 2 per cent and loans it to the provinces at 4½ per cent.

What right has Ottawa to profit on the need of British Columbia, for example, for credit?

British Columbia owes the Dominion some $26 million upon which she is paying 4½ per cent.

This situation is not a reflection upon British Columbia's financial ability nor upon the Dominion for grabbing what it can.

But it is a sad reflection upon a system which permits such inequalities to continue.

It is just as lopsided and unfair as the $50 million annual unbalance against British Columbia in her trade with Eastern Canada.

Aberhart's present idea is to repay the interest on Alberta's borrowings but not the principal.

He declares sort of a perpetual lease on the money his province has borrowed.

Certainly some showdown must come in the financial affairs of all the provinces.

Aberhart's manipulations may not point the way to that showdown, but they will hasten its arrival and strengthen the conviction of the provinces that they need not forever mortgage their heritage of expansion and growth for the purpose of maintaining the fiction of financial health.

Averting the Crash
New England Letter of the First National Bank of Boston

The question is often asked, "What expenditures should be reduced?" The answer is that if we are to maintain national solvency we must eliminate all waste and extravagance, reduce government bureaus and commissions, gradually liquidate the public works programme and abandon the general philosophy of spending our way into prosperity. We must put a stop at once to profligate spending and practice economy. Common sense should tell us that we cannot continue to spend twice our income and to pile up mounting deficits for future generations to pay. The stark fact is that if we fail to check these prodigious expenditures then we must either pay crushing taxes or repudiate our obligations by the printing press route. There is no other alternative.

Sweeping denunciation of government is unfair and unmerited but there is no possible justification for continued wasteful prodigality with no end in sight. History has over and over demonstrated the utter futility of this.

A rugged effort, honestly undertaken and sincerely continued, to bring the budget into balance would dispel unemployment more quickly and more effectively than anything else that government can do. It will also avert the crash which will follow as inevitably as night follows day if this excessive spending is not stopped.

Conscious Control
Benjamin M. Anderson, Economist
Chase National Bank, New York.

I do not believe that, at best, even with government ideally organized for controlling economic life, with an ideal set of officials who are masters of all the knowledge and understanding that economists possess, government could work out a conscious control of the economic life of a great people which would approach in efficiency the unconscious, automatic control which free markets and freely changing prices give.

In the Mail

(Not over 200 words, please)

"Gangsters" at Ottawa?

Editor, The Financial Post:

While a steady and careful reader of your columns now for many years, and indebted to The Financial Post for a wealth of factual information (not to be measured by my weekly dime!) it supplies, I must confess being somewhat depressed with the following statement, in your issue of May 9:

"Mr. Dunning has had to find $6.8 millions to meet the cost of the donation to the western wheat pools. This was a political hand-out, and Mr. Dunning and his colleagues were under no obligation to implement the former government's bribe."

The question in my mind is, do those words mean what they say? If they do, all I care to say is that, were I a member of the present or the former government at Ottawa, they would not please me much.

On the other hand, if those words do not mean what they say, I think it is a grave error to broadcast such an assertion across Canada. Your feature "Canada—And The Next Five Years" has been an inspiration to this reader; but what I would like to have you tell the people of Canada now is: What enduring hope is there for private integrity, if it is your judgment that we have merely glorified (or maybe "handsome") gangsters assembled on Parliament Hill?

WESTERNER.

Toronto.

Editor's Note: Buying the vote of a single elector is a crime; buying votes at wholesale is not a crime, (more's the pity). Every government Canada ever had has poured out millions of money in pork barrel appropriations and political handouts. Witness: the Trent Valley Canal and other wasteful enterprises; the "red thread of extravagance" in the C.N.R. under Thornton; the recent unwarranted pool subsidy. These election bribes are passed and paid by men who may be estimable gentlemen individually and whom no one would designate as gangsters.

When the moral standards of governments rise to the level of the moral standards of the individual members the taxpayer will be saved a deal of money. First, however, it may be necessary for the voter to set a higher standard for himself.

Canada Hurts Herself

Editor, The Financial Post:

Last year we had the mad action of Mr. Hepburn's government repudiating the Quebec power contracts coupled with the mayor of Vancouver's proposals to take people by the throat who in good faith had helped the city to go ahead with its public works.

We have of course realized that Aberhart is only a provincial man and that while he may wreck his own province, it has nothing to do with the rest of the country. Unfortunately, these sequences of events have wrought a tremendous amount of harm in so far as the credit of Canada as a country is concerned and it is making people over here avoid risking their money in a country where the gospel of repudiation would seem to be gaining rather than losing ground every day.

As things are at present one comes more and more to the conclusion that a distinct dividing line must be drawn from north to south across the country with Quebec at the western end of that line and Ontario at its eastern end. From Quebec east there would appear to be still some element of common sense and respect for obligations. Thence west, I fear the opposite must be considered the case.

I feel quite sure the average Canadian little realizes or cares the damage that is being done to the credit of what should be one of the finest lands in the world; they just don't think.

I do not know what the press can do in educating the public toward more constructive thinking and voting, but certainly unless there is a very decided change for the better, it would not seem unlikely that those eastern provinces which have kept their heads will refuse to continue to put up for wild schemes hatched by mad minds in other sections of the country, and insist on leaving Confederation. This latter idea will seem more and more logical with the continuity of the inhabitants of one province being told to give their preference to the products grown or manufactured in their own province.

INVESTOR.

Jersey, Channel Islands.

As Others See Us . . . . .

Where Is It?
Durham Chronicle

Sir Norman Angell is writing in The Financial Post on the subject, "What Is Money?" We are not so much interested in what is money. What we want to know is: Where Is It?

Not His Fault
Goderich Star

Among the 137 diseases to which The Financial Post claims we are susceptible, is a new one called, "Whiskitosis." After a four days argument with "flu" we believe we had them all except the "whiskitosis." Its omission was no fault of ours.

Greatly Clarified
Edmonton Journal

There has been much confused thinking in regard to monetary matters. The whole intricate subject is greatly clarified by the series of articles which Sir Norman Angell has written for The Financial Post and which the Journal has been condensing.

Stop Me If You've Heard This One . .

Landlord (to prospective tenant)—You know we keep it very quiet and orderly here. Do you have any children?

"No."

"A piano, radio, or victrola?"

"No."

"Do you play any musical instruments? Do you have a dog, cat, or parrot?"

"No, but my fountain pen scratches sometimes."

...gures

...ts Has Important ... New Records

...bright spots can find a goodly number ... in Canada. Thus the volume of business ... by The Financial Post business index showed the ... months and now stands 8.7 per cent above the corres... of last year.

... that, but early records for the month disclose the following ... of performance in the business volume figures:

Copper exports (after seasonal adjustment) at record high.

Gold shipments from the Mint at new high mark (after seasonal adjustment).

Asbestos exports highest for any April since 1930.

Cigarettes released for consumption reached new April peak.

Wood pulp exports largest since April, 1931.

Newsprint production at new record peak for April.

Steel ingot production at new April high since 1929.

Automobile production greatest at best April figure since 1929.

Exports of planks and boards largest since Jan., 1930 (after seasonal adjustment).

April power output from central electric stations highest on record.

Monthly carloadings best (after seasonal adjustment) since June, 1931.

* * * *

Gold Bullion Boosts Export Trade Figures

Without any advance note of warning, Ottawa officialdom has made a very important change in the compilation of Canada's monthly export totals which may cause many miscalculations unless it is carefully watched.

Beginning with the fiscal year 1936-37 it has been decided to include hereafter in the totals for Canada's export trade, the figures of gold bullion exports formerly published separately as coin and bullion exports. This compilation was always kept distinct from what was termed Canada's "merchandise" trade.

Thus in April, Canada's total exports are shown as $57.4 millions, of which the largest individual item is a total of $11.6 millions representing "gold bullion other than monetary." The corresponding item for export trade in April, 1935, is $47.3 millions which is higher by $9.7 millions than the customary figures for that month shown heretofore in all trade statistics. The difference is, of course, the amount of gold bullion exported in that month.

Since 1931, exports of Canadian coin and bullion from this country have been an increasingly important factor in our foreign trade. Thus in the calendar year 1931 the total amounted to over $34 millions (inclusive of monetary coin) reaching a high mark of over $105 millions in 1934. The peak shipment was $14.5 millions in Feb., 1934, and the average between $5 and $10 millions monthly. Practically the entire amount in recent years has been exported to the United States.

In order therefore to make previous trade figures comparable it will be necessary to add this very considerable sum either to monthly or to yearly totals whenever the old "merchandise" figures (exclusive of coin and bullion shipments) are used. It would be very valuable if the Dominion Bureau of Statistics would publish a brief report making these individual calculations so that accurate official figures could be available to all who use this very important tabulation.

Changes of the Week

Favorable

Carloadings—Larger movement of coal and grain in eastern Canada is largely responsible for maintaining loadings in the week of May 16 above corresponding figures fior 1935. The spread, however, is considerably smaller than in the past four weeks.

Iron and Steel Production—Pig iron output in April rose 24.6 per cent from corresponding figures in 1935. Four furnaces remained in blast at the month-end. Steel ingot production gained 57 per cent over 1935 and was 6 per cent above March output.

Electric Power Output—All five economic areas contributed to put the April figure to the highest point on record. Exports to United States were 29 per cent above last year. Firm power production in Canada (after seasonal adjustment) also rose to a new peak.

Bank Debits rose in all economic areas, the gain for all Canada being 17 per cent compared with April last year. Largest gain was 41 per cent in Quebec province.

Business Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

WEEKLY DATA	Latest 1936	Latest 1935	Cumulative Total Jan. 1 to date 1936	Cumulative Total Jan. 1 to date 1935
Transportation—				
Car loadings (May 16)	▲44,928	43,561	857,930	850,512
C.N.R. gross earn. (May 14)	$ 3,615,386	$ 3,306,916	$ 62,604,213	$ 58,699,470
C.P.R. net revenue (May 14)	$ 2,693,000	$ 2,263,000	$ 45,112,000	$ 40,839,000
Business Conditions—				
Weekly index D.B.S. (May 16)	▲105.5	99.3	......	......
MONTHLY DATA	**1936**	**1935**	**1936**	**1935**
Business Conditions—				
Financial Post index (Apr.)	▲107.2	98.6	......	......
Transportation—				
C. P. R. net earnings (Mar.)	$ 1,347,733	$ 1,147,235	$ 2,827,703	$ 2,101,694
C.N.R. net revenue (Mar.)	$ 941,533	$ 1,095,485	$ 76,742	$ 481,699
Iron and Steel (April)—				
Pig iron production (tons)	▲54,045	43,388	225,141	169,790
Steel ingots and castings prod. (tons)	▲107,220	68,530	401,902	241,902
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (Mar.)	9,451	9,244	18,480	18,079
Factory output (Mar.)	14,488	18,179	36,602	40,333
Trucks and Buses:				
Domestic sales* (Mar.)	2,149	1,717	4,076	3,585
Factory output (Mar.)	3,533	3,796	7,898	10,363
Exports (Mar.)	4,817	7,929	15,042	20,384
Construction—				
Building permits (Apr.)	$ 3,183,336	$ 6,300,046	$ 8,740,707	$ 14,807,316
Contracts awarded (Apr.)	$ 9,815,100	$ 11,379,400	$ 41,942,300	$ 40,770,700
Newsprint (tons)—				
Production (April)	258,721	222,224	952,145	810,170
Exports, tons (April)	192,893	158,923	818,417	696,453
Flour (bbls.)—				
Production (Mar.)	1,171,741	1,046,087	3,172,746	3,012,462
Wheat flour exports (Apr.)	281,162	276,907	1,412,348	1,430,163
Trade—				
Retail trade (index no. of sales) (Mar.)	71.7	69.5	......	......
Imports (April)	$ 42,320,032	$ 36,636,702	$ 177,272,737	$ 159,100,957
Exports (April)	$ 57,963,193	$ 48,034,837	$ 260,147,193	$ 226,030,036
Wheat exports (bush.) (Apr.)	6,572,364	5,027,403	41,507,036	26,520,608
Employment, D.B.S. index (Apr. 1)				
All industries	97.4	93.4	......	......
Manufacturing	101.1	93.9	......	......
Electric Power Output (April)—				
Total monthly (000's omitted)	▲2,163,717	1,881,029	8,327,769	7,640,773
Aver. daily	▲72,123	62,701	......	......
Other Industrial Indices—				
Lumbering:				
Plank & board exports M. bd. ft. (April)	107,949	63,866	348,141	327,848
Boot & shoe prod., pr. (Mar.)	2,110,598	1,938,800	5,459,797	4,848,721
Crude petrol. imp. gal. (Apr.)	▲54,142,896	40,446,492	220,312,161	197,617,650
Cotton imports, lb. (Apr.)	▲7,122,912	8,835,554	52,343,912	37,338,554
Raw rubber imp., lb. (Apr.)	▲2,411,012	2,380,166	14,657,284	17,923,674
Coal imports, tons (Mar.)	506,260	526,791	1,489,780	1,500,200
Finance—				
Bank debits (April)	$ ▲2,773,756	$ 2,366,725	$ 11,132,084	$ 9,373,616
Bond sales (April)	$ 104,655,000	$ 76,570,000	$ 498,047,114	$ 137,909,974
Life insurance sales (Mar.)	$ 31,664,000	$ 31,416,000	$ 96,125,000	$ 93,120,000
Automobile Financing—				
Used cars (Mar.)	$ 1,721,596	$ 1,223,575	$ 3,603,413	$ 2,584,652
New cars (Mar.)	$ 2,177,433	$ 1,756,967	$ 4,220,067	$ 3,544,442

*D.B.S. All-Canada figure comprising over 90% of the Canadian total. †000's omitted. §For 4 weeks to Apr. 18.

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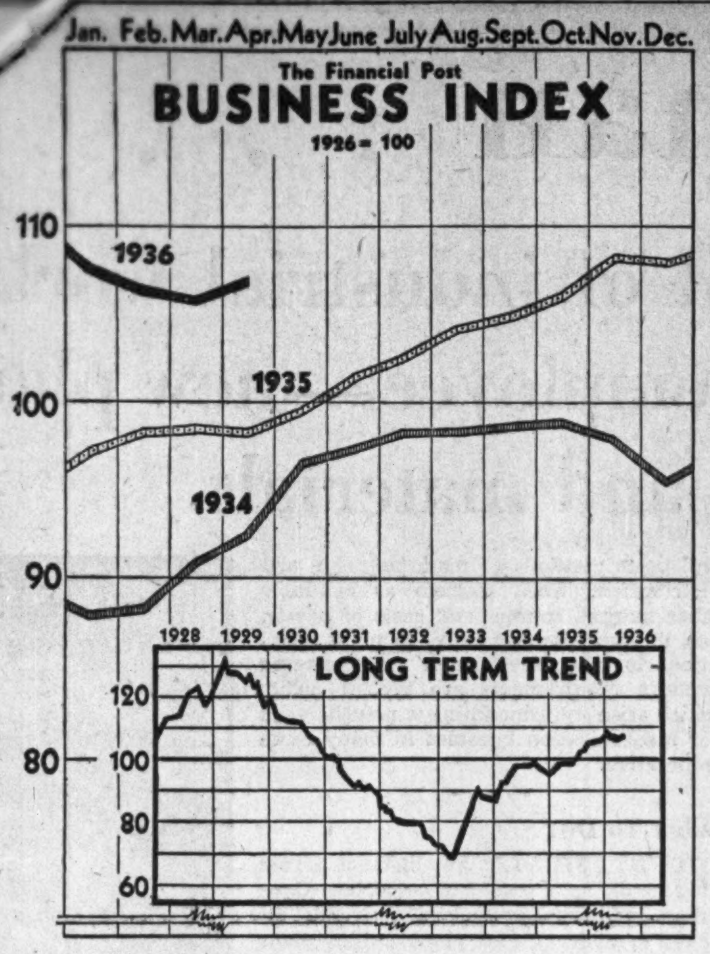

BUSINESS MOVES FORWARD

Following the recession of the first quarter The Financial Post business index recorded an appreciable expansion in business operations for April.

A number of more active industries such as power, newsprint, copper mining, recorded new high points for April during the post-war period. A considerable number of other factors showed increases over any other April since 1929 or 1930. The net result was that The Financial Post index was 107.2 against 106.0 in March. The comparable figure for April of last year was 98.6.

Several phases of the financial background brightened appreciably in April. The index of bond prices rose to a new high point in post-war history. A gain was shown in the deposit liabilities of the banks, and wholesale prices were firm in most of the main groups of the official classification.

Many Business Indices Rise to New Heights

After receding for the first quarter, business operations rallied in April.

A few factors are still outstanding at time of writing but the indicated advance in The Financial Post business index was up from 106 in March to 107.2 in the first month of this quarter.

Main factors included copper exports, the high level of operations in the forestry group, the attainment of a new maximum in power production, some revival in the iron and steel industry, and the considerable increase in automobile production.

Gold, Copper at New High

The external demand for metals continued strong, the exports of copper being in April after seasonal adjustment greater than in any other month in history. Nickel exports showed a gain over March after the usual adjustment but were somewhat less than in April, 1935. Shipments of gold were outstanding as the index after seasonal adjustment reached a new high point in history. Silver shipments receded to a lower level. Asbestos exports were larger than in any other April since 1930.

Manufacturing Returns

The index of the production of foodstuffs based on 10 factors showed a gain from 84.7 in March to 87.8. Flour production showed slight gain over the preceding month. A marked increase was shown in the production of sugar, the index advancing from 25 to 59. Cattle and hog slaughterings were considerably heavier than in March.

The index of cigarette releases advanced to 165.6, a higher point than in any other April. The corresponding standing for March was 157. The release of cigars was practically maintained at the level of the preceding month. Crude rubber imports, while slightly greater than in the same month of 1935, showed recession from March. The imports of textiles for further manufacture were disappointing, the decline being greater than normal for the season.

Expansion in the forestry industry was a bright spot of the month. The index based on four factors advanced from 114.4 in March to 124.0, a new high point for the post-war period. Production of newsprint was greater than in any other April and was only exceeded in October and November of last year. The index was 163.4 against 152.9 in March. Wood pulp exports were greater than in any April since 1931 but showed an adjusted decline from the preceding month. The exports of planks and boards after seasonal adjustment was greater than in any month since January, 1930.

Iron and Steel Records

Production of steel ingots showed a considerable expansion, being greater after seasonal adjustment than in either February or March. The output was also greater than in any April since 1929. Automobile production showed a greater than seasonal increase, the index moving up from 86.1 in March to 106.4 in April. The output was greater than in any April since 1929.

The records of new business obtained by the construction industry were disappointing in April. The index of contracts awarded receded from 63 to 29. With two exceptions the contracts were less than in any other April in the post-war period. The low level of building permits also indicated by the recession in the index from 24 in March to 21 in April.

Power At New High

A bright spot of the month was the increased activity in the power industry. The index of the output on an average daily basis was 225.4, a new high point in the history of the industry. The comparable figure for March was 209.3 and the standing in April 1935 was 195.9.

After seasonal adjustment the index of carloadings was greater than in any month since June, 1931. The advance in the index was from 75.4 in March to 82.8 in April.

Major Canadian Economic Factors

		April, 1936	April, 1935	March, 1936	Inc. or Dec. April, 1936-1935
The Financial Post business index		107.2	98.6	106.0	+8.7
Wholesale prices		72.2	72.5	72.4	—0.4
Common stock prices		116.0	86.4	117.4	+34.3
Shares traded, Montreal	No.	416,852	282,672	561,450	+47.5
Inverted index of Dominion bond yields		143.9	138.5	143.1	+3.9
Mineral production:					
Copper exports	cwt.	292,618	162,591	353,069	+80.0
Nickel exports	cwt.	109,665	118,949	185,314	—7.8
Zinc exports	cwt.	148,231	184,378	321,843	—19.6
Bauxite imports	cwt.	110,052	92,107	188,868	+19.5
Gold shipments	fine oz.	305,110	214,226	271,715	+42.4
Silver shipments	fine oz.	718,421	697,507	1,958,302	+3.0
Manufacturing production:					
Cattle slaughterings	No.	134,399	129,441	110,515	+3.8
Hog slaughterings	No.	266,855	255,666	262,531	+4.4
Wool imports	lb.	1,669,928	1,865,383	3,831,180	—10.5
Raw cotton imports	lb.	7,122,912	8,835,554	13,558,113	—19.4
Cotton yarn imports	lb.	340,824	403,045	492,594	—15.4
Newsprint production	tons	258,721	222,244	243,900	+16.4
Steel ingot production	tons	107,220	68,530	101,092	+56.5
Pig iron production	tons	54,045	43,388	55,009	+24.6
Automobile production	No.	24,951	24,123	17,974	+3.4
Petroleum imports	gal.	54,142,896	40,446,492	65,383,199	+33.9
Crude rubber imports	lb.	2,411,012	2,380,166	4,052,065	+1.3
Exports of planks and boards	ft.	107,949,000	63,866,000	142,062,000	+69.0
Construction: Contracts awarded	$	9,815,100	11,379,400	10,289,100	—12.7
Building permits	$	3,183,336	6,300,046	2,361,771	—49.5
Railways: Carloadings	No.	193,067	184,605	192,123	+4.6
Electric power production	000 kw.h.	2,163,717	1,881,029	2,135,460	+15.0

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle	$6.25	$6.00	$8.00
Hogs	8.65	8.75	9.90
Copper, lb.	.09½	.09½	.09
Cotton, lb.	.1172	.1166	.1235
Rubber, lb.	.1568	.1550	.1250
Sugar, raw, lb.	.0372	.0372	.0335
Silk, lb.	1.48	1.56	1.47
Wheat (Man.) bus.	.75⅛	.76⅞	.85½
Coffee, lb.	.06⅝	.06⅝	.07⅛
Weekly Indices			
N. Y. Annalist	120.0	119.6	126.2
Fishers'	80.5	81.0	82.7
N. Y. Journal of Comm.	77.3	78.0	80.1
Crumps (Brit.)	68.2	68.1	65.0
U. S. Labor	78.6	79.1	79.9
Canada (D.B.S.)	71.9	71.9	72.5

Monthly Indices

	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (Apr.)	79.8	80.5	78.6
W'sale (Apr.)	72.2	72.4	72.5
U. S. Labor (Feb.)	80.6	80.6	79.5
Gt. Brit. (Feb.)	76.7	77.2	71.8

Note: The base of indices is that 1926 equals 100. British index is Economist converted to 1929 base.

Base of price quotations is as follows. cattle—steers, good, over 1,050 lb., top price. Toronto: copper—electrolytic, New York: silk—Japanese, 13-15, New York: Sugar ——96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft.-W.-Pt. A. basis; hides—heavy native steers; select bacons, Toronto.

United Mine Workers Into Limelight Again

In western coal mining circles the revival of the United Mine Workers of America is said to be a development of major importance. It appears that the international union will come back perhaps stronger than ever as all mine workers' groups, including even the Mine Workers Union of Canada—said to be "Red" and never recognized officially by the operators—are interested.

R. Livett, president of District 18, will consult John L. Lewis, president of the U. M. W. of A. with respect to the new situation in Canada and the referendum to be taken on the question of reorganizing the Alberta pit workers under the international banner. Before the big break with the International some years ago all the local and Crow's Nest Pass coal camps were affiliated with the U. M. W. of A. Care of the miners of Corbin, B.C., over a year now out on strike, is promised by the U. M. W. of A.

Background of Business

Claim Shoe Industry Heading for Disaster

Failure to Face Facts Blamed for Chaotic Conditions — Paint Prices to Rise July 1

Painting a vivid picture of the financial disaster which threatens the boot and shoe industry in Canada, Shoe and Leather Journal in its current issue quotes a foremost Canadian tanner as saying:

"Every shoe manufacturer's statement I have seen this year is definitely in the red. The conditions are unparalleled in my experience. In the face of substantially increased costs, very few factories are making any adequate readjustment in their prices, and some, flying in the face of common sense, are actually lowering them.

"The policy of the trade as a whole is suicidal. Its reserves are being eaten up, its capital structure is being depleted and every principle of sound finance and merchandising is being flouted. The thing cannot go on. If the shoe manufacturers will not come to their senses, the supply trades will simply have to get together and withdraw credit until such time as shoe prices are adjusted to present-day manufacturing costs. Such a drastic remedy is undesirable, but it will have to come, unless some action is taken within the industry itself to save the situation."

* * *

Failure to Face Facts

This journal deplores the failure on the part of the industry to face facts.

"We have heard," it says, "a hundred explanations why shoe factories cannot raise their prices to cover the increased expense of doing business, but all other arguments to the contrary, the fact remains that they cannot continue making shoes below cost. The industry is drifting into a financial morass and, sooner or later, if it is not restored to a sound accounting basis, there will be a day of reckoning in which everyone concerned will suffer — the tanners whose credits go sour and the retailers who become entangled in the failure of their suppliers, as well as the manufacturers.

"It surely should not be necessary to wait until we have an epidemic of bankruptcies with all the consequent dislocation of business that is involved before the shoe manufacturing industry decides to merchandise its products on a sound basis. If the adjustment results in a slight decrease of production it will be no great harm. The industry has shown fair profits in years when its output was much smaller than it was in 1935—that year that represents the acme of business absurdity, when the shoe factories marketed the greatest volume in their history at a substantial loss."

* * *

Keeping Tab on Buyers

Commenting on the widespread effect of the Magill Mine tragedy on retail buying, Stylewear Review points out that large retail establishments have very complete records by which they are guided in displaying merchandise. They know, for example, that government railways and many big organizations pay on certain dates, and that on these and following days employees will have money to spend, and it is a good time to put on sales. They know, for example, that since income taxes have to be paid on or before the last day of April, business in many lines is sure to be quiet in the preceding week.

Since thousands of people scarcely left their radios for nearly a week during the Magill rescue, shopping and marketing went by the board, picture houses and theatres were indifferently patronized, and almost every class of business suffered. There was, however, a rush for radio space.

* * *

Paint Prices to Rise

A general upward revision of prices on July 1 is forecast by paint and varnish manufacturers, according to Canadian Paint and Varnish. The revision is due in part to increase in sales tax to eight per cent, and after that date at least one manufacturer has stated his intention to add two per cent additional sales tax to his retail invoices.

For the time being, that is during the heavy selling season, most manufacturers are absorbing the tax.

Individual Investment Requirements

No two persons have quite the same circumstances or obligations to consider in managing their investment affairs. It is the aim of this organization to make such investment suggestions as will best suit the specific requirements of individual clients.

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June Bond Letter

The June Bond Letter includes an interesting comparison of Corporation bond prices and Dominion of Canada bond prices from 1934 to date. Write for a copy.

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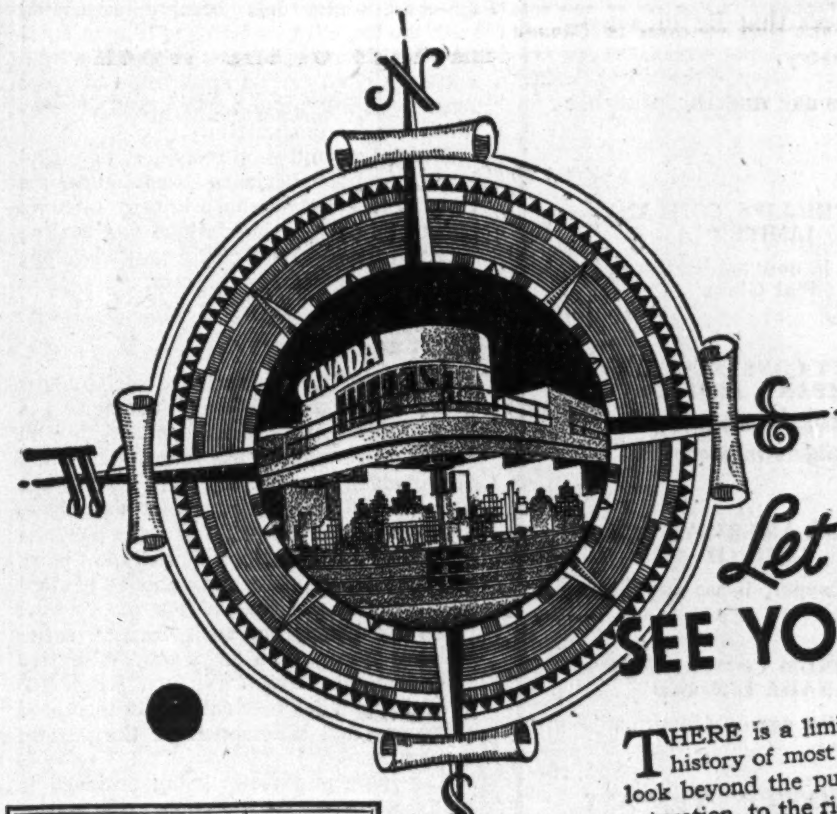

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THE CANADIAN GOVERNMENT PLACES THESE WORLD RENOWNED EXHIBITIONS AT YOUR DISPOSAL

ALDERSHOT SHOW, Rushmore Arena, Aldershot, July 2-4.

PROPOSED CANADA SHOP, Location to be selected, *Approximately* July 9-25.

EMPIRE EXHIBITION, Johannesburg, Sept. 15, 1936 - Jan. 15, 1937.

BUILDING TRADES EXHIBITION, Olympia, Sept. 16-20.

GROCERS' EXHIBITION, Royal Agricultural Hall, London, Sept. 19-25.

HOUSING AND HEALTH EXHIBITION, Kelvin Hall, Glasgow, Early October.

IMPERIAL FRUIT SHOW, Renshaw Hall, Liverpool, Oct. 30-Nov. 7.

PROPOSED CANADA SHOP, Location to be selected, *Approximately* Nov. 12-28.

BRITISH INDUSTRIES FAIR, Olympia and Birmingham, Feb. 15-26, 1937.

THERE is a limit to domestic expansion. Somewhere in the history of most progressive businesses, there comes a time to look beyond the purely domestic market, with its possibility of saturation, to the rich and plentiful markets of the world.

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Realize the tremendous possibilities of progress, expansion and profits that exist in these markets:

Look into the expanding South African and Southern Rhodesia markets where Canadian products sold in the last fiscal year to the value of $14,292,000 as compared with $12,656,000 in the preceding year.

Or to the ever-reliable United Kingdom market to which Canada exported products worth $318,957,000 (exclusive of free exports) in the fiscal year 1936 as against an export trade of $274,183,000 in the preceding year—an increase of $44,774,000 in twelve months.

Your opportunity is here now to share in the enlarged business resulting from this favorable world disposition to Canadian products. Place your goods in the show windows of world countries and win the friendly and profitable consideration of foreign importers.

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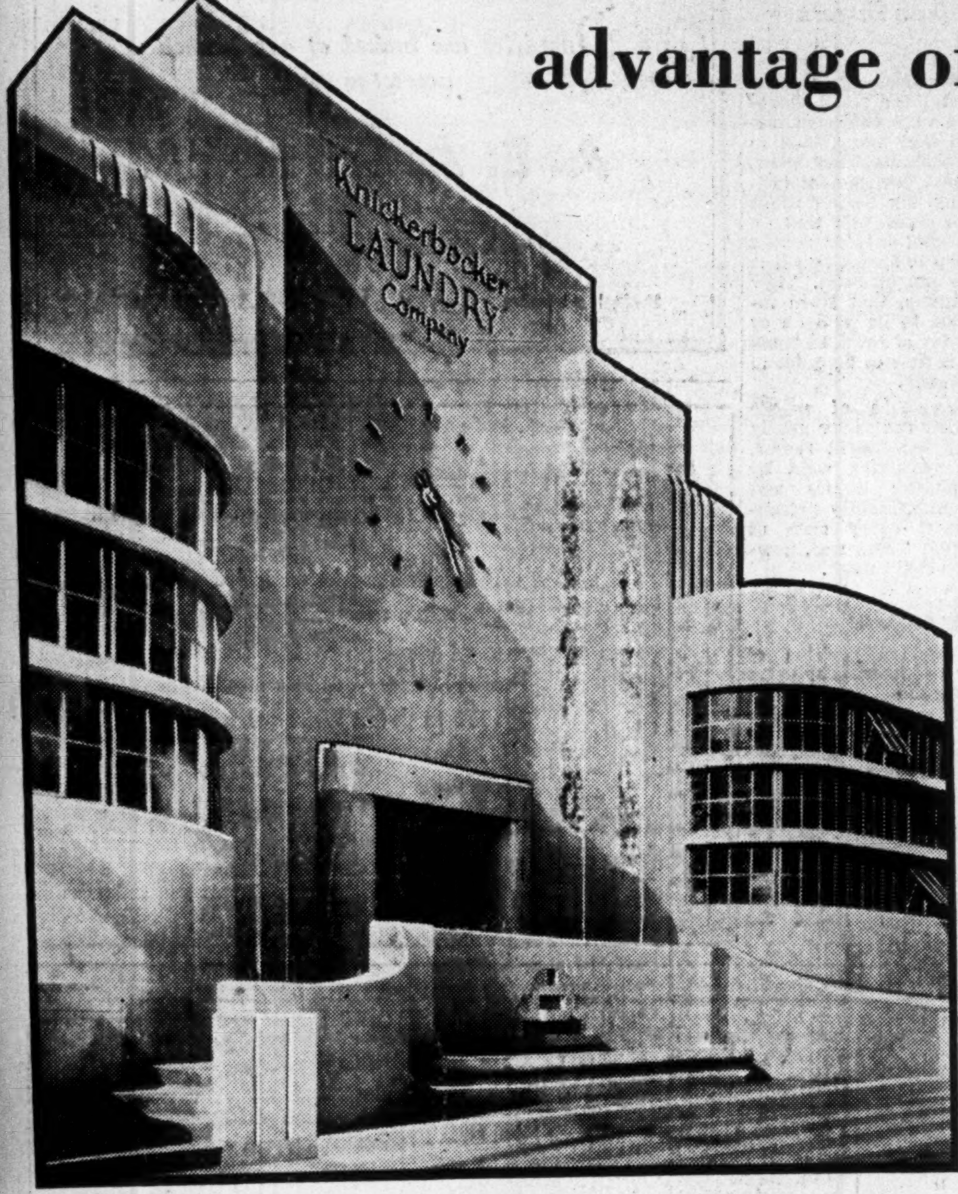
DEPARTMENT OF TRADE AND COMMERCE
OTTAWA

HON. W. D. EULER, M.P., MINISTER — JAMES G. PARMELEE, DEPUTY MINISTER.

TC361

Factories Go Human . . .

Trend toward improvement of industrial working conditions pays dividends to employer and employee—new plants and old can take advantage of new methods and materials.



New Vistas Better product—lower costs—improved workmanship flow naturally from the application of new methods and materials in the field of industrial construction. Very often the technique (as above) is simply to adapt well-known materials, metals such as concrete, nickel, aluminum, copper, glass, etc., into new forms. In any event, employee and employer share equally in the new dispensation of better, cleaner, more efficient, more healthy factories.

MORE than a billion dollars in capital outlay for industrial modernization projects on this continent is near at hand, according to figures compiled recently by experts in this field. The figure is at least five times as great as the amount contemplated for immediate spending a year or two ago. In Canada alone, scores of projects amounting to millions and millions of dollars are definitely scheduled for 1936 in fields as varied as Canadian industrial life itself.

Underlying these forward-looking plans and undertakings there runs a new note of enthusiasm and enterprise. For industrial leaders and executives are finding that in the past few years a whole realm of new ideas, of new methods and new materials has come to the fore to make industrial modernization not only a highly profitable but also a highly pleasurable undertaking.

* * *

New Allies

AND the profit and pleasure go hand in hand. For example, the question of employer-employee relationships.

Every employer knows at once the elements of good business which lie in a contented working force. And toward this end there now comes to his assistance in a way not hitherto possible, the combined resources of scientific and engineering research which during the depression years have maintained a relentless and successful search for better and cheaper ways of doing things and for making the lot of the worker a happier and more profitable one.

* * *

Air-Conditioning

TAKE, for example, the question of air-conditioning. Many long years ago, printers and textile firms found themselves handicapped in the making of high-grade products, uniform in quality, because of the variability in temperature conditions within their plants. Thus, there developed the effective mechanical answer to these problems, known today as air-conditioning. So long as this forward step was merely associated with industrial processing its growth was slow. But in the past decade air-conditioning has become associated with the impelling motives of human comfort, health and efficiency and on this tidal wave, demand for its application and use has surged into almost every field of commercial and human activity.

Thus plant and shop managers now find by actual experience that uniform "weather" brings a sharp improvement in output by eliminating fatigue and cutting down absence due to colds, coughs, grippe and other respiratory diseases.

* * *

Light and Noise

OF EQUAL importance are such factors as lighting conditions and noise. A large Canadian industrial plant now in course of completion has found substantial improvement in efficiency and quality can be achieved by ensuring that employees have ample light at all times of the working day. The specifications of the new plant call for light intensity throughout the plant of 3.5 watts per square foot of working space as compared with former ratios varying from 1.5 to 2.5 watts. Attention to this one detail will, it is expected, result in higher quality product and in increased efficiency and satisfaction on the part of employees.

The same purpose is being achieved in many ways as, for example, the use in recent years of aluminum paint. One of the most important innovations is the development in recent years of glass masonry which while admitting light, obscures vision and in itself provides such desirable qualities as insulation against heat and cold, and resistance to fire, acids, and moisture. Incidentally an all-glass building recently built in the United States requires no fire extinguishing system because of the complete elimination of fire risk, and was able to obtain an extremely low insurance rate.

As to noise control, it has been said that sound, "out of control" costs millions upon millions of dollars annually in shattered nerves, reduced operating efficiency and costly errors. This is one of the problems that industrial research experts have probed long and deeply in recent years and the answer—both for the new plant and for the old—is to be found in a host of new materials which can tame at very small cost the worst offenders against quiet, well-ordered industrial efficiency.

* * *

Proper Perspective

AND just here some general observations on this vital question of plant modernization are important. If a survey could be made today to determine the most logical site for every industrial plant in the country, it is probable that in the light of raw material sources, power requirements, labor markets and the actual and potential market for product, that more than half our production activities are uneconomically situated.

Many years of depression have aggravated this situation, have shown in bitter but revealing perspective the need for utmost economy in operation and the utmost efficiency both as to plant location and as to methods of manufacturing and distribution. Such matters as available labor market, sources and costs of power, and the need for flexibility in plant operations to take care of new and changing product requirements are typical points which arise and concerning which the need for modernization becomes in many cases imperative.

* * *

What To Do?

TO ILLUSTRATE, an instance arose recently in a small but important Canadian industry of what steps should be taken to modernize the plant and lay plans for future expansion. Their plant was situated in the heart of a thriving Canadian industrial centre but increased business showed the need for more up-to-date power and heating equipment to handle peak loads.

Wisely, the problem was not tackled piecemeal but the immediate need was analyzed in terms of the company's future which included the answer to such questions as: "Should we move to the outskirts of the city?" "If not, should we use adjacent but expensive property to expand or should we add extra stories to our present building?"

"Should our new power plant be inside or outside the building?"

Through careful and expert consideration of such questions as these, scores of points affecting manufacturing costs, labor conditions, insurance and many other factors vital to profitable operation of the business were disclosed which had been scarcely dreamed of when an initial decision was made to enlarge the company's power plant. Consideration of these factors means now that over a period of years the company's business will be conducted on a much surer, profitable basis than would otherwise have been the case.

* * *

Power and Heating

AND speaking of power plants, there are few items affecting modern industrial operations where more important advances have taken place within recent years. In previous articles in this series it has been shown that throughout the country are scores of industrial and business undertakings which have cut power costs and the cost of heating their plants and processing their raw materials by amazing sums through taking advantage of present-day heating methods. In fact most heating plants of even ten years ago stand condemned as obsolete in terms of the dollars and cents efficiency which can be achieved by modern units.

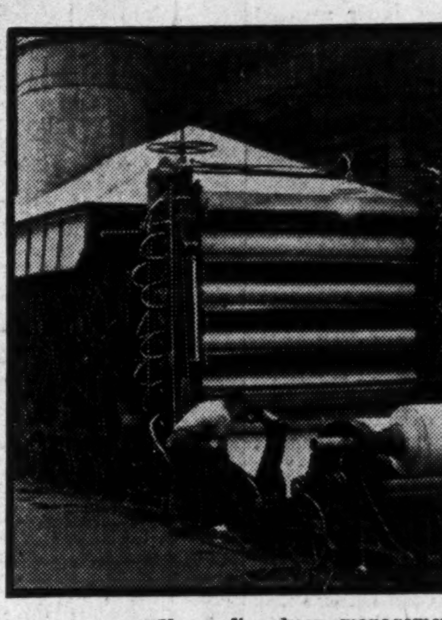
One Canadian user of process steam cut its steam costs actually in half by remodelling its power house equipment. Another power user who had been heavily penalized by a severe peak load condition which occurred only once or twice a week, installed a Diesel unit (after consultation with competent engineers) with the result that power bills were cut by $5,000 a year to pay a dividend of some 30 per cent on the investment.

* * *

Unit Heaters

ANOTHER interesting development in this field which has attained considerable prominence of late is the unit heater which although known and used now for two decades or more, has achieved greater usefulness and efficiency in part by the use of non-ferrous metals such as copper, brass, bronze and aluminum which afford greater ductility and conductivity. It is estimated that as high as 75 per cent of new factory space now uses unit heaters because of the efficient, inexpensive way in which radiation can be distributed in industrial space.

For one thing a modern unit heater with a capacity of 264,000 B.t.u.'s per hour weighs but 400 lb., while to obtain an equivalent capacity under former methods would require radiation facilities weighing between 6,000 and 8,000 lb. Not only is this type of radiation easy to install and regulate but it can be used in summer for circulation of air which again has an important bearing on satisfactory working conditions for employees.



New Top Very often keen management can boost factory output and greatly improve working conditions by the simple application of a new part or device to existing equipment. In the above photo the efficiency of a paper-making machine was greatly increased by addition of a special hood made possible by scientific research.

Structural Gains

EQUALLY interesting and important advances have been made in respect of structural materials and ideas. A new type of steel flooring recently developed and now gaining wide acceptance is said to speed erection of new building by as much as 30 per cent and by reason of its smaller bulk to save as much as a full extra floor for every twenty stories of height. It is claimed to have 100 per cent salvage value and boasts 100 per cent flexibility as far as electrical installations of all sorts such as telephone, lighting and electrical outlets are concerned.

Similarly important advances have been made in the use and adaptation of new building materials and in the development of new uses for old. A case in point is the new use of concrete as an architectural medium rather than just a structural material.

* * *

New Materials

THE use of new materials and the new application of old materials such as glass alloys, aluminum, nickel, copper and brass has also opened new possibilities for durability and low upkeep cost at the same time affording in many cases substantial improvement in working conditions for employees.

These new materials have also played an important rôle in industrial equipment of all types. Only recently it was stated that nickel alloys had been developed successfully in some twenty or thirty types of industry ranging from the making of moving pictures to the manufacture of plastics. For example, in one installation when used as a lining material in the processing of high-grade leather, it is claimed that five days operation were sufficient to pay the entire cost of installation.

Similarly aluminum has proven an ideal industrial metal in such industries as the making of beer, wines and liquor and in foodstuff operations where an absolutely neutral effect in respect of taste is essential. A brand new use for aluminum in the industrial field which has also attracted attention is its use for travelling cranes which involve much smaller structural strain on the building by reason of their substantially smaller weight and which are much easier and less expensive to handle and operate.

* * *

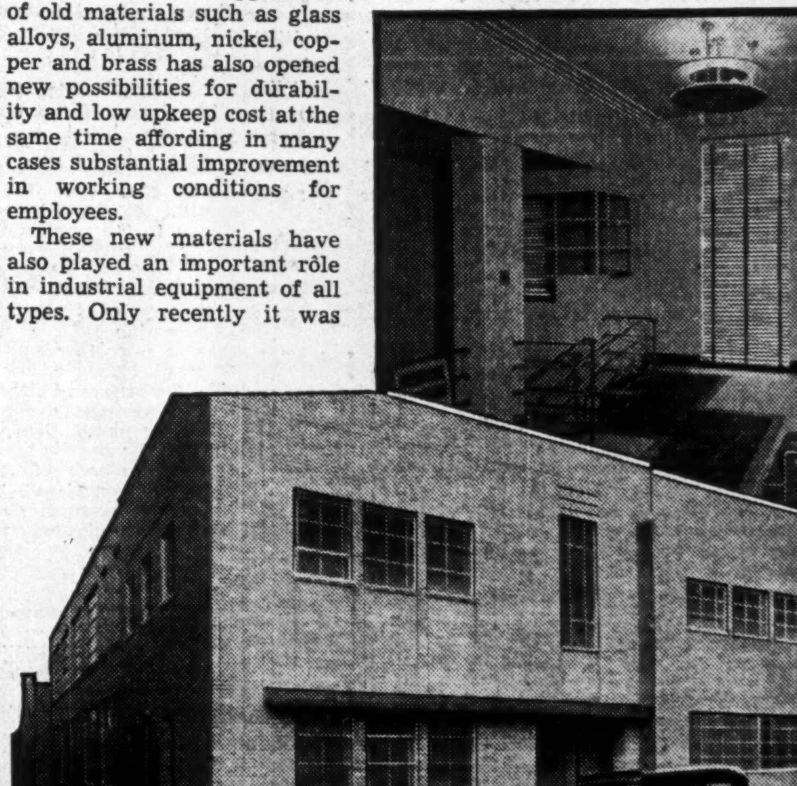
Buyers Market

AND not to be overlooked of course is the fact that at the present time industrial modernization changes can be done in a "buyers" market. Experts say that we are now about midway between 1928 and 1940 in respect of costs and that nearly every factor is favorable.

Not only is the market favorable for the purchase and installation of this equipment at the present time, but furthermore industry has now at its command the tremendous gains and improvements made during the depression years and which, if installed now, will give important competitive advantages compared with plants which will shortly be obsolete in light of these new inventions.

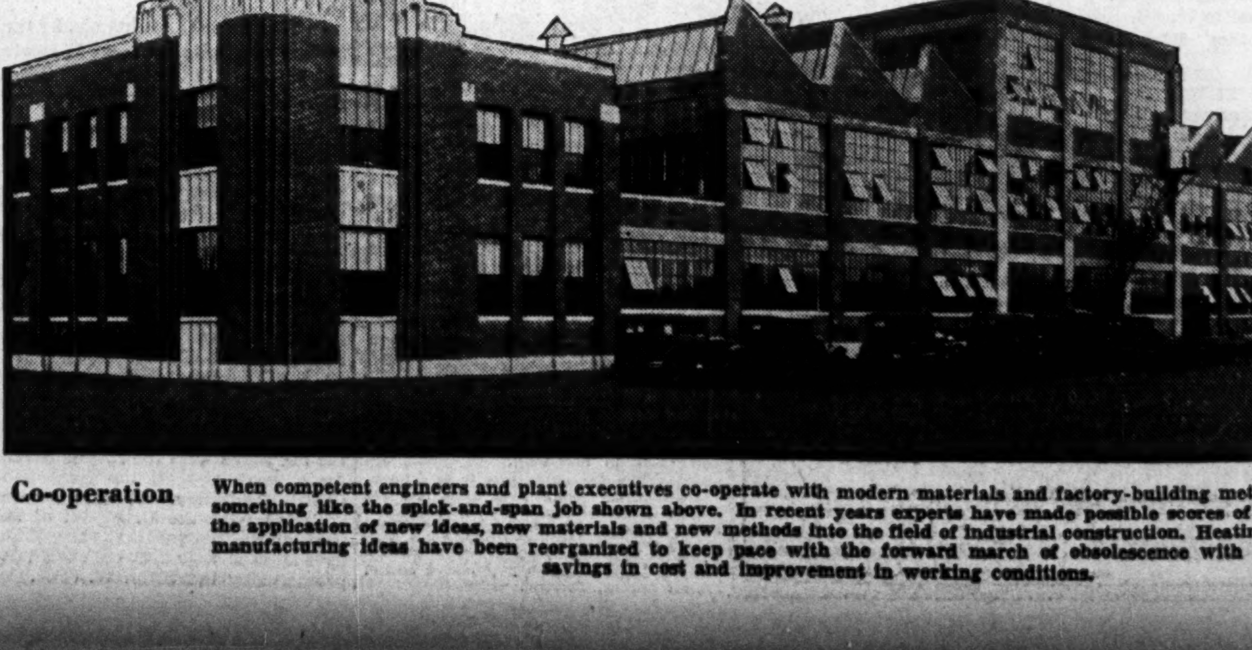
No better example of this can be cited than the automotive industry which rode roughshod over convention and at a cost of tens of millions of dollars put into use with lightning rapidity the great advances in methods and materials which had been developed since 1929 and 1930. As a result this industry was able to take almost a first lien on consumer purchasing power as it was restored, because reduced costs and superior product—plus excellent merchandising ability—were able to sweep away sales resistance.

It is good business to master industrial obsolescence because modernization booms business.



—Photo Courtesy Litho-Print, Ltd.

Small and Large It's not only the big industrial plants that can cut costs, better their product and improve working conditions by modernization. Scores of small industries are finding the expenditure of a few thousand dollars brings even greater advantages (on a percentage basis) than in the case of bigger concerns. This new two-story printing plant is a case in point.



Co-operation When competent engineers and plant executives co-operate with modern materials and factory-building methods, the result is something like the spick-and-span job shown above. In recent years experts have made possible scores of major savings by the application of new ideas, new materials and new methods into the field of industrial construction. Heating, production and manufacturing ideas have been reorganized to keep pace with the forward march of obsolescence with consequent major savings in cost and improvement in working conditions.

ONE of a series of articles indicating in practical fashion the amazing opportunities for good business that lie in a programme of rehabilitation for Canadian industry.

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In The Construction World

$30 Millions Wasted

A RECENT survey conducted by the Dominion government estimates a possible saving of $30 millions in fuel bills alone if every house in Canada was properly insulated. With the most thickly settled part of the country a considerable distance from the nearest coal field, and with a winter temperature which makes furnace firing necessary for seven months of the year, Canadians of all people should be "insulation minded." But as a matter of fact, until the last few years, this was a factor of construction almost entirely neglected. Yet in new residential buildings, adequate provision for insulation, it is contended, is a very small cost, probably amounting to not more than 10 per cent of the total for a complete job. Moreover, this outlay, it has been definitely proved, can be actually saved in fuel purchases in less than five years.

* * *

All-year Service

BUT the definite saving in fuel is not the only advantage, and this is a point that might well be emphasized by insulation manufacturers at this time. Summer heat waves may not last nearly as long as winter zero temperatures, but nevertheless during their stay they are just as unpopular.

There is little comfort in a sweltering house when the mercury has ranged above the 80 mark for days. But here again insulation plays a very definite part. The same principle as that of the refrigerator is in operation. Many people forget that the insulation in the refrigerator walls is there for the purpose of keeping heat out just as much as keeping cold in.

An important indirect saving in actual dollars and cents of a properly insulated building, no matter whether it be used for business or residential purposes, is that applying to the heating system. With fuel bills cut up to 25 per cent, it will not be necessary to install oversized systems which are necessary to keep non-insulated houses to anything like a livable temperature when the mercury drops to 10 and 20 below outside.

* * *

Renovation

A RECENT Winnipeg survey reports 10,000 homes in that city which could be greatly improved and modernized for an outlay of $500 each. The same is true, in relative proportion, in regard to most cities in Canada. Plumbing, painting, and electrical contractors have long realized that here lay a profitable field. Renovation campaigns, bolstered by steady recovery, have partially opened this outlet for new materials, but only partially. And it will remain in that condition until fuller confidence has been restored on the part of the average house owner.

That confidence was badly shaken when his equity could not keep pace with falling real estate values. It has been shaken again by the rise of new and lower-priced house buildings in his own neighborhood. Rather than spend any money on his present house, he hopes in a year or two to be able to acquire one of these modern buildings. But in the meantime, the fact remains that his present home is getting no younger, and sooner or later, even if only to put it on a routine renting basis considerable improvement must be made.

* * *

Space Saving

NOTWITHSTANDING the lure of deep window sills and walls up to a yard thick, modern construction is getting away from such things. Thickness of the wall in the average residences is definitely and rapidly shrinking. A new high in this respect is reached by the ready-built houses of General Houses, Inc., now being merchandised in cooperation with Sears Roebuck of Chicago. These pre-fabricated structures, which may be secured in 200 different designs, have an outside wall of exactly one inch thick.

Notwithstanding this extreme narrowness, insulation equal to the very best obtained under conventional construction and superior to the average, is claimed. On the outside is a layer of asbestos cement followed by the first air-space, a sheet of aluminum, a sheet of building paper, a second air-space, and finally on the inside a three-ply veneer of decorative wood panel. Such concentrated construction in the average house, it is maintained, actually saves 150 square feet over the ordinary brick and lath and plastering job, or an area equal to that of one bedroom plus clothes and linen closets.

Cement Shipments

Portland cement shipments by Canadian producers in February amounted to almost 95,000 barrels, as compared with 96,500 barrels in January and 70,776 in February a year ago.

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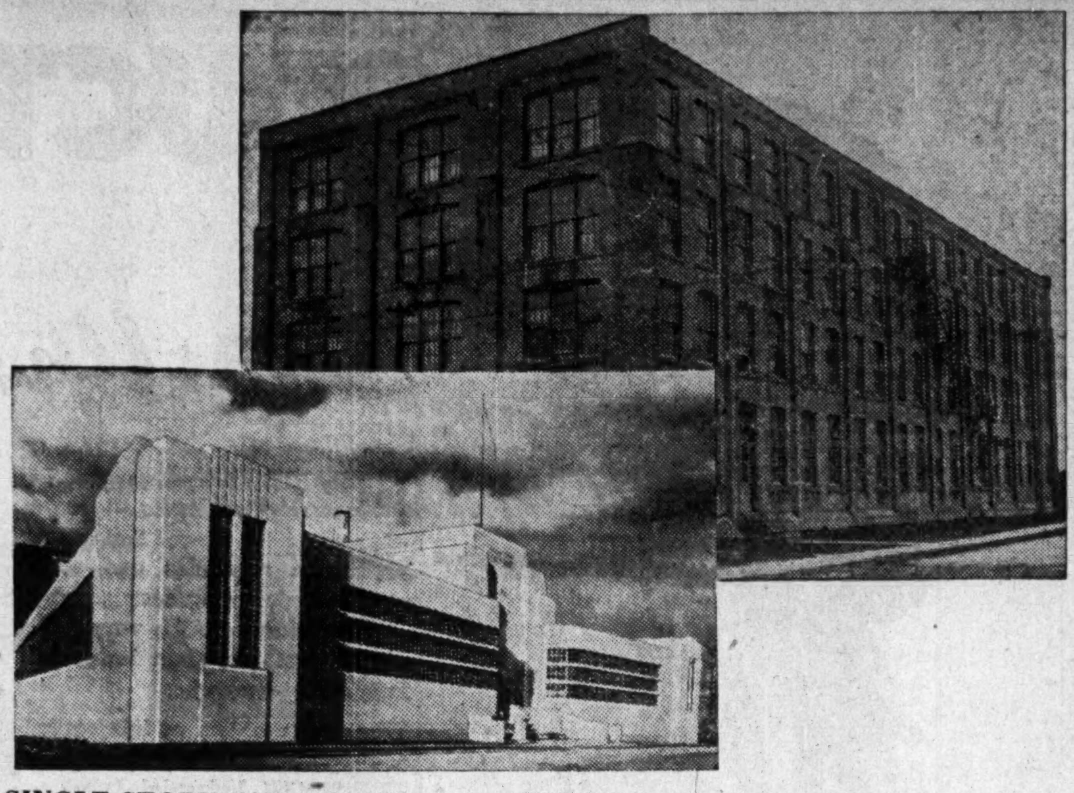
Oil Burners for Apartments, Factories, Hot Water or Steam Supply, Stoves, Heaters.
MACDONALD METAL PRODUCTS Co., Ltd. Waterloo, Que.
Over 300,000 in Use Established 1919



SINGLE STORY OR MULTIPLE?

In recent years there has been an increasing swing toward single-story factories all over the North American continent. Where manufacturing lends itself to the assembly line plan, usually there is a big advantage. TOP, the typical many-storied factory which was the prevailing type up to 20 years ago, and BELOW, an ultra modern, concrete, one-floor building toward which prospective factory builders are looking today.

One Story Factory Makes Big Headway

Competition, the modern motor car and fast drying paint are key factors behind the spread of the one story factory idea on this continent.

Twenty-five years ago and from then back to the beginning of the industrial age but one type of structure prevailed. This was usually of dull red brick, dotted with regular rows of small dirt covered windows and surmounted by a large chimney, belching smoke in good times, merely a land mark in others.

Depending upon the size of the business were the number of stories, but almost invariably there were three or four.

One Plan or Several

Multiple floor factories are still being used and in fact are still being built. But the windows have been expanded, cleaned and opened and there is usually some provision for smoke. At any rate with two new sources of power, electric and oil, added since the beginning of the century, belching chimneys are now largely a relic of the past.

But the factories being built today are no longer confined to the multiple story type. While the latter are still conceded the most efficient under certain types of manufacturing under others again, the single story affair has the advantage. Indeed most of the new factories built in the last few years have been of this type.

Fathered by Motor Industry

This big spurt was largely sponsored by competition. Many heavy industries which lend themselves to the assembly line of manufacture and make goods of a nature not easily carted from floor to floor, found themselves almost forced out of four and five story factories and into something all on the ground.

The motor car industry largely pioneered the move because large volume and cheapness were of paramount importance. Provided a car could be made at a sufficiently low price, nearly every grown man and woman was a prospective customer.

But, and this is an important point, buying was not compulsory. In very few instances in the early days of motoring at least, was it necessary for the buyer to have a car.

Other manufacturers, however, were in a different category. Not all people were in the market for such things as stoves or binders, but those that were simply had to have them. Competition need not develop to such a keen point under these conditions.

In any case the motor car manufacturers soon developed a one-floor factory. Into one end flowed the raw materials, out the other rolled away the finished product. In between doors was a long assembly line where gradually part after part was fitted together.

Quick Paint Helped

These early factories, however, ended abruptly at the paint shop. Here the product came up against a special job, one, that could not be hurried and one which required a special room free from the smallest cloud of dust. Then came quick drying enamel. The paint shop took its place on the end of the assembly line. Following this advance there was no holding the single floor factory with the result that some structures of this kind now reach a mile in length.

Provided the product manufactured lends itself to the assembly line of manufacturing, favoring the one floor factory are the following points:

1.—Cheapness of construction.

Naturally if there is not going to be a basement or anything above the ground floor heavy foundations or walls are unnecessary. The building can be easily and quickly erected in all kinds of weather. Heavy machinery can be installed quickly and cheaply. There is no space required for elevators or stairways and a saving in that used for supporting pillars. Shipping is simplified as trucks or railway cars can move right up to the point of production.

2.—Ease of expansion.

When business increases it is a simple thing to knock out the end wall and add another unit. In fact many of these new one story factories have only a temporary or removable wall at the end which is extended or contracted at will.

3.—Simplified supervision.

With all the workers on one floor in plain view of the plant foremen, it is a simple matter to supervise work and weed out inefficiency. A close inspection on production in all its phases is also possible.

4.—Better working conditions.

Natural light and ventilation is more readily attained in a single-floor factory provided there is plenty of space surrounding. The light construction of the outer walls allows practically the whole exterior to be used for window space. This can be supplemented by roof monitors. A minimum of artificial lighting is required. With all the machinery mounted on a solid floor on the ground there is less nerve racking vibration and less dust.

Advantages of Multiples

But there remains still some sound reasoning behind the multiple floor idea for certain types of manufacturing and under certain conditions. In favor are:

1.—Taxes.

Naturally where operations are confined to a single floor a great deal more ground space is occupied and in some of the large centres this is a most important consideration where taxes are high and as yet show no signs of receding. Then again space may be so limited in some of these centres that it would be impossible to secure sufficient to permit one floor manufacturing.

The alternative, moving out to cheaper land in the country is not always feasible. Shipping facilities may not be as convenient and in any case the labor supply will be scarce. Especially where a steady source of skilled labor has been developed in a community by a certain type of manufacturing is this important.

Houses may have been purchased by the employees on the basis of steady work at one point. Schools and churches may have been established. With all the improvements in transportation the average factory worker still prefers to live within reasonable distance of his place of employment. Moreover industrial civilization has not yet developed to such a point that the average man is willing to establish himself in a community where only one industry provides all the employment. It has been done, of course, but it does not always prove satisfactory either to the manufacturer or the employee.

2.—Maintenance

It is easier and cheaper, to heat a 2 or three story house than a similar space spread over one floor, and the same is true of a factory. In a country like Canada where the winters are long this is a factor worth considering. It does much to offset the extra cost of stairways and elevators, freight and passenger, necessary where four or five stories are used.

3.—Light and Air.

As previously mentioned when there is more or less vacant or yard space about the building, the ground floor factory will be flooded with natural light and open to natural ventilation. But in crowded centres this is not always the case. Indeed it is because of better light and ventilation that high floors in a hotel are usually at a premium over those below. For light manufacturing such as garment making, a high factory may have an advantage. Heavy floors are not necessary as machinery and other equipment is not burdensome. But this argument regarding more natural light and air, does not gain a great deal of force unless the factory is carried to considerable heights. It will apply, however, unfavorably to a one floor plant completely and closely surrounded by higher buildings.

3.—Gravity manufacturing.

For handling grain, coal, liquids, and other products which can be arranged to flow naturally from the top floor downward nothing yet has been designed to adequately replace the best of the existing type of construction. The same is probably best for small packaged goods, or when what is commonly known as loft manufacturing is carried on.

Calgary Power Moves Forward

From Our Own Correspondent

MONTREAL. — Demand for power from other sources has added to Calgary Power Co.'s income sufficient revenue to almost offset the loss of revenue from the Edmonton contract which was cancelled about a month ago.

Last year Calgary Power had net revenues of just under $1.4 millions, a decline of about $188,000 from that reported in 1934. The reduction was due to lack of revenue from the company's investment in Ottawa Valley Power Co., whose contract was cancelled by the Ontario Hydro. Despite this loss of income, Calgary Power was able to show, after depreciation, bond interest and preferred dividends covered. The common dividend, which has since been deferred, was earned to the extent of $3.20 a share as against payment of $6 a share.

Canadian Parcel Post Charged on New Basis

Although Canadian parcel post rates vary in different provinces, the maximum charge on any parcel post package mailed in Canada for delivery in Canada does not exceed one cent per ounce, except that a minimum prepayment of three cents an ounce is required.

The three-cent prepayment covers a weight up to and including three ounces, and the same minimum prepayment of three cents will apply to parcel post parcels prepaid at the rate of one cent an ounce, mailed in Canada for delivery in the United States.

New parcel post regulations include cancellation of the old method by which parcels were weighed to the nearest pound, and this is now replaced by weighing parcel post packages mailed in Canada for delivery in Canada to include fractions of a pound over an even pound weight. Parcels thus weighed are subject to a charge of one cent an ounce or fraction of an ounce over the even pound rate up to the next highest pound rate or group rate, as the case may be.

More Asbestos

February shipments of asbestos in Canada were almost identical with those in January, but exceeded February, 1935, by about 50 per cent. Exports, however, during February, exceeded January by about 18 per cent.

EVERYTHING ELECTRICAL for the Construction Industry
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Magnalux Luminaires
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Tobacco Market Shrinks in China

Self-sufficiency Hits U. S. Exports — May Affect Canada

An increase in the acreage of flue-cured tobacco in China has an important direct effect on United States production and therefore indirectly on Canadian.

China is trying to make itself self-sufficient in the matter of flue-cured tobacco. Consumption averages approximately 180 million pounds annually, and last year the domestic crop reached an all-time high of 155 million pounds. This is an increase from an average of 45 million pounds in the 1920-24 period.

Most of the deficiency in domestic production is made up by imports from the United States, and if the present increasing trend is maintained, that export market for American tobacco will disappear. This would indicate more pressure of American exports on the British market, where Canadian flue-cured tobacco growers are endeavoring to secure a larger foothold. British consumption of tobacco is estimated at approximately 140 million pounds, of which last year Canada supplied 13 millions. About 75 per cent of the British market is supplied by the southern States.

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Non-Skid FLOOR PLATE
FOR TRAFFIC TREADS — STEPS, RUNWAYS.
On request, a 3" sq. sample will be sent for your inspection.
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Our products are standard in many of Canada's large Townsites, having proven their efficiency in the protection of physical assets which it is folly to allow to depreciate. Our lines include — Thorham Paint — for wood, brick, concrete or metal buildings.
Flat-tex Paint for interiors — walls of plaster, brick, wood partitions, wall board or plaster board.
T-H Floor Enamel for concrete floors.
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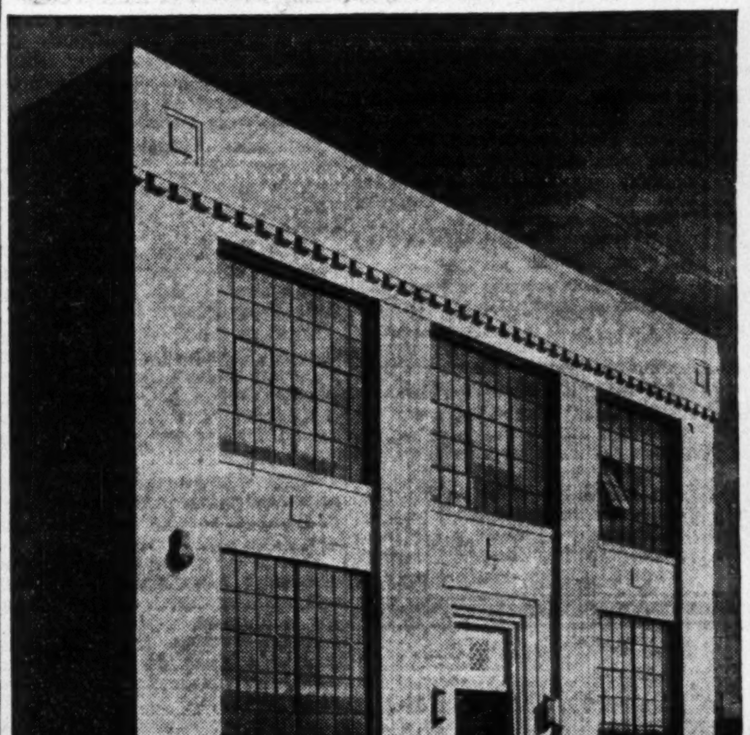

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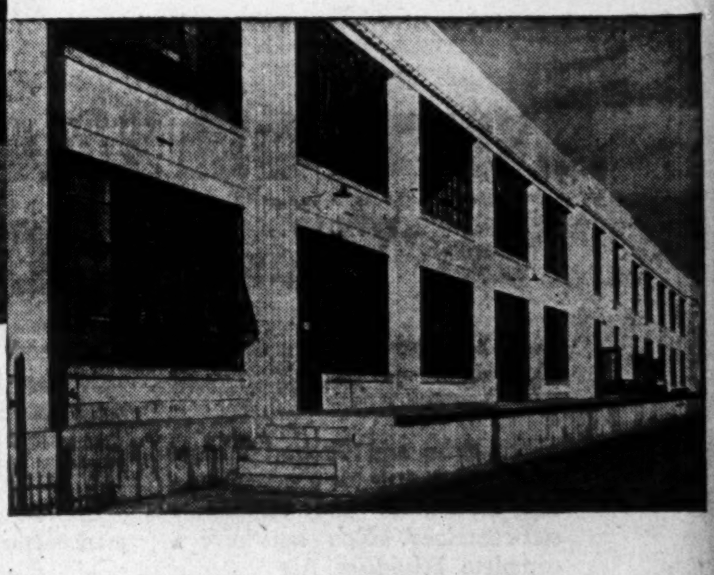

Rotogravure Ink Plant, International Printing Ink Company, Chicago, Illinois. Built by Austin Engineering Company, Cleveland.

From coast to coast, architectural concrete is rapidly gaining wide acceptance as the finest and most modern type of building construction.
The great names of business are choosing concrete, not by chance, but because it offers this unique combination of advantages:
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'Peg Central Heating No Longer Experiment

Four Public Plants Now —Cost More Than Old Way

HAS ADVANTAGES

From Our Own Correspondent

WINNIPEG. — Though probably few people realize it, Winnipeg has four central heating systems in operation. To be strictly accurate two are central heating plants and two are district heating plants, the difference being that district heating plants operate over a much wider area than central heating plants. The four referred to are outside private central heating systems such as the plant which heats the group of government buildings on Broadway.

The first of the four Winnipeg systems to be put into operation was the Winnipeg Service Company Limited, in the basement of the Winnipeg Electric Chambers and serves a small group of buildings near it.

City Hydro In It

The second established was the City Hydro. It came into being in 1924 and originally was a "storm baby" which has proved to be a wonderful comfort to the citizens.

Before going any further into the central heating business it should be pointed out Winnipeg is a "heat conscious" city. It experiences great extremes in temperature. Its office blocks and homes need heat seven months of the year, sometimes eight and sometimes even more. Heating is one of the most important items in the ordinary household budget. A seven to nine room house may easily cost $175 to $200 a year for heating.

In the summers of 1922 and 1923 storms seriously interfered with the delivery of hydro-electric energy by the city's plant on the Winnipeg River and it was decided that to guard against such interruptions a stand-by plant was essential. This was built in Winnipeg at a cost of around $750,000 and is operated by steam.

Off-peak Scheme Success

Through the long winter months, contrary to the experience of most other cities, there is little likelihood of storm interruption and the idea was evolved that the stand-by plant might be turned into a heating plant during the winter. The Winnipeg Hydro-Electric Central Heating System is now known the world over as the first central heating system to demonstrate the marketing of hydro-electric off-peak power for central heating purposes. In this it has been an outstanding success in marketing over 100 million kilowatt hours per season and producing a revenue in excess of $100,000 which would otherwise go to waste over the spillways.

In the current report for 1935 the activities of the Central Heating plant as a part of the city's hydro business are disposed of in one brief paragraph. It says, "The steam heating division ended the fiscal period with an operating deficit of $4,300.83 as compared with a surplus of $759.07 for the previous year. While revenues from the sale of steam improved by $3,200 this increase was offset by additional cost of fuel and water of $4,500 and maintenance expenses amounting to $3,000. The outstanding feature of the economic value of the steam heating utility is the provision of a market for the disposal of off-peak electric energy. In the year 1935 Hydro's revenue from this source amounted to $107,842.40." In other words, the city's central heating system carries all the charges for the stand-by plant and in addition provides a revenue of more than $100,000 for the Hydro-Electric operation. In comparison with this its deficit of $4,300 is a negligible factor.

No Smoke, Ashes

It serves well over 200 buildings in the central portion of the city and the fact that in all of these buildings the nuisance of smoke, dirt and ashes is eliminated is an intangible asset which nevertheless is an extremely valuable one.

The use of from seven to ten thousand tons of Western Greenhill coal annually has done probably more than anything else to demonstrate the successful marketing of western Canada coal, opening a market previously dominated by American anthracite.

From an economical point of view central heating has proved a boon to customers in its advantages. It offers an excellent means of regulating heating costs strictly in line with the weather, as all expense can be shut off by the simple closing of a control valve, a fact which is used to advantage during night hours, weekends and holidays. Another advantage, particularly applying to new buildings is the rental value of the space formerly occupied by boiler rooms and smokestack.

In 1928 the Winnipeg Heating Company Limited commenced operation in a high class residential district south of the Assiniboine River. Two years later the Northern Public Service Corporation Limited erected a plant, also in a high class residential district north of the Assiniboine and serving both sides of the river. The Winnipeg Heating serves 1,200 houses or approximately 70 per cent in the area traversed by its steam lines. The Northern Public Service serves about an equal number of houses, buildings, schools and churches and approximate distribution within its district is about the same.

Under One Management

The companies are entirely separate but for purposes of economy in administration are managed by B. W. Parker and C. A. Clendening. Separate accounts are kept and the companies are entirely individual in operation, except as to management.

Each plant burns from 20,000 to 25,000 tons of Saskatchewan lignite a year. In addition each plant uses about 10,000 kilowatt hours of off-peak electrical energy, purchased from the City Hydro and the Winnipeg Electric Company.

So far as costs of the district heating systems to the householder are concerned, they may be said to be slightly higher than the average home-fired plant. They compare favorably with oil installations.

No general comparisons can be made because of the wide difference in individual requirements and in house construction. Costs have been known to differ in identical houses and under identical weather conditions by as much as $50 for a season, caused by one person requiring much higher temperatures or failure to cut down heat during the night hours. Again a well-insulated home, a phase of home reconstruction now receiving much attention, makes a great difference in heating costs.

The question may be asked that assuming these heating companies purchasing large quantities of coal have a distinct price advantage as compared with the householder, why should the cost of heating a home by this method be more expensive than for an individual?

Doesn't Figure Own Labor

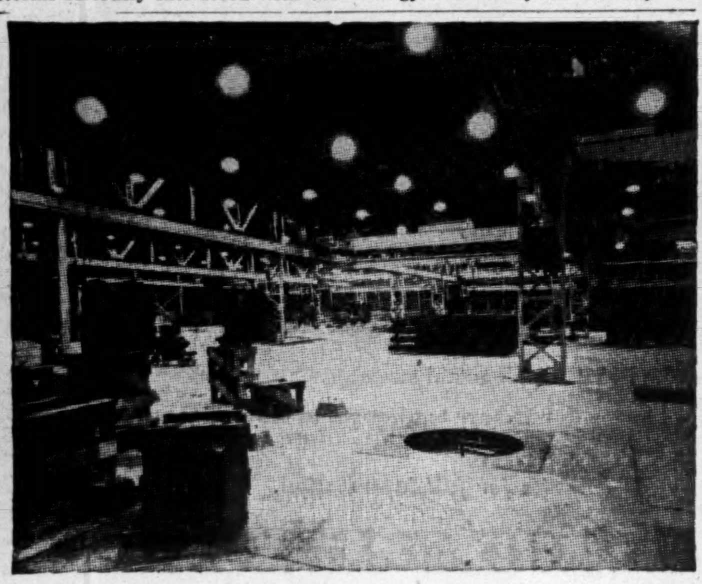
The answer is that if central heating costs the individual householder from 10 to 25 per cent more than by becoming his own stoker, the householder chalks up only the cost of his fuel against the district company's heating. In other words, the householder makes no allowance for his own labor. The companies point out that a house may be vacated for a month or any other period during the winter, heat adjusted and the company will see that it is maintained.

Over an entire locality there is also the advantage of the lessened dirt and soot, all the firing being done in one plant instead of 1,200 individual homes and buildings. While soft coal is used and is admittedly of a smoky nature, the operation of the heating plants is so efficient that very little smoke escapes from the top of the 225 foot stacks. This is effected by as nearly perfect combustion as may be obtained.

Some Houses Furnaceless

The district heat idea is growing year by year and the time will undoubtedly come when few homes will endeavor to do their own heating. In fact many new homes now are built without either furnaces or chimneys. Users are required to sign a contract for a year and the contract is self-renewing and every year sees the big mains which carry the steam spreading. The main pipes which are steel and insulated are ten and 12 inches and grade down from this size to the small leads of one inch or one and a half inches into the homes.

Investment in the two district heating plants runs into about $3,000,000. Neither one has ever been in the position of being able to pay a dividend but they have paid operating costs and during the years they have been in operation have learned many lessons and are now well on their way to being successful enterprises.



Canadian Bridge Company, Walkerville, Ont. Structural Steel Assembly Shop (night view). 500-watt High-Bay Lighting Units, outlet box type.

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Forging Ahead In United States

April home building in the United States forged 55 per cent ahead of April, 1935. Private non-residential building, including industrial, educational, and other public structures, not including federal public works, was 120 per cent ahead, while public works and utilities averaged nearly 90 per cent greater than the same month a year ago.

In so far as home building is concerned, Canadian records would compare very closely with those of the United States, though large scale building, principally as a result of the withdrawal of the federal government projects as compared with a year ago, has fallen off.

Foreign Trade

Weekly foreign trade news summarized by Commerce Reports, Washington, follows:

Irish Free State—Prospects have strengthened, and both foreign trade and industrial production are increasing.

Poland—The budget estimates for the fiscal year beginning April 1 anticipate increased revenues and a small surplus, but a considerable deficit occurred in operations last year.

Czechoslovakia—Import trade in the first quarter showed a heavier increase than exports, largely owing to increased takings of raw materials.

Austria—Foreign trade in the first three months of 1936 shows gains over last year in both imports and exports.

Germany—The wholesale price index for April shows a very small increase over March.

Roumania—Although gains this year have been small in extent, the foreign trade is somewhat improved, and agricultural prospects are better.

Lithuania—Encouraging developments have predominated and the agricultural population has benefitted from increased exports.

Turkey's trade with the United States in the first two months of this year was larger than in the corresponding 1935 period, and the general outlook has been improved by firm agricultural prices and good crop prospects.

Egypt—The situation has steadied after uncertainty in the final quarter of 1935, but foreign trade has been under last year's level.

Bolivia—Conditions have become somewhat more settled, and both wholesale and retail buying is tending to improve.

Japan—Foreign trade in April showed a small decline from last year in exports and a moderate rise in imports.

China—Several cotton mills have passed resolutions for mutual cooperation.

Philippines—The balance of the agricultural development appropriation is being used for the completion of a new road on the Island of Mindanao to open up agricultural areas.

Vancouver Port Booms, Busiest Year Since 1932

A gain of almost 17 per cent in number of vessels entering Vancouver during the first quarter of 1936 is reported. The 1936 total is 3,977. The gain in imports for the said period over 1935 was 20 per cent, and in exports almost 27 per cent. Total imports are reported the best since 1932, and exports the highest since 1934.

Specific gains in first quarter exports are shown in apples, canned fish, canned milk, doors, fish meal, fish oil, frozen fish, grain, lumber, laths, newsprint, craft paper, fertilizer, mill feed, hides and wool.

Trucks Reach New High In New Brunswick Total

Registration of trucks in New Brunswick reached a new high in 1935 at 4,550—a gain of 542 over the previous year, according to Bus and Truck Transport. The province also licensed 70 more convertible trucks, 57 passenger buses, 60 tractors, 1,122 trailers, 65 service cranes and 173 motorcycles.

Revenue from registration fees gained 10 per cent and from gasoline tax (which was increased to eight cents) gained 20 per cent over 1934.

C. M. A. Convention

The Canadian Manufacturers' Association will hold its 75th annual congress at Quebec, on June 2, 3 and 4, with more than 800 delegates from all sections of Canada expected to attend.

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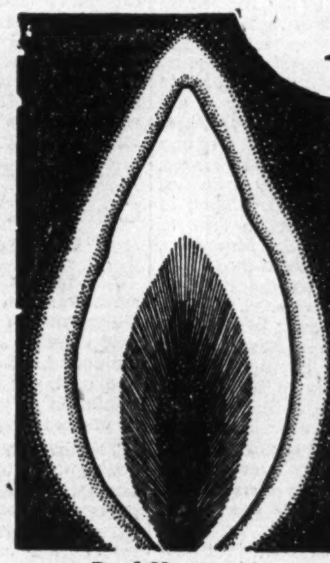

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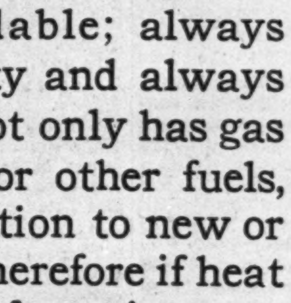


Workmanship

The Consumers' Gas Company of Toronto

$28 Millions For Elevators In Argentina

Big Building Programme Will Directly Affect Canada

FINISH IN FOUR YEARS

By E. CLIFFORD MARR

BUENOS AIRES.—The Argentine government last month issued calls for bids for the construction of six terminal elevators to have a total storage capacity of 16 million bushels. This is the beginning of a vast elevator construction programme which provides for the building of 15 terminal elevators and 321 country elevators within four years at a total cost of $28 millions. The terminal elevators will have a total capacity of 27 million bushels which with existing facilities will enable Argentina to store 41 million bushels at its terminals.

Half Government Owned

When the building programme has been completed, the government will be in a position to handle half of the wheat export movement through government-owned elevators. This will facilitate better financing of the Argentine farmer, better grading of the wheat, more orderly shipping, and give the government power to control a large volume of the export movement which hitherto has been exclusively in private hands.

Farewell Dumping

There are likely to be two conspicious effects on international trade.

(1) The Argentine wheat crop will no longer be thrown on world markets regardless of prices.

(2) Eventual shipment of all wheat in bulk will be a severe blow to the Indian jute trade which now delivers $13 millions worth of burlap to Argentina every year to be made into grain bags. This, of course, includes bags for all grain, including the important corn crop.

The report of the Grain Elevators Board which outlines the building programme says, "The new elevators are designed to prevent the unloading of the Argentine wheat crop on world markets as soon as it is harvested, but it is not to be held back in such way as to force speculation."

Argentina produces, on the average, 240 million bushels of wheat. Of this 144 million bushels go into the export trade and 96 million bushels are consumed locally. With storage facilities for only 19 million bushels at a time, Argentina has had to ship her wheat regardless of how low the price might be. During the negotiations which led up to the London Wheat Agreement in 1933, the Argentine delegates explained their country could not agree to hold back its shipments because of the absence of storage facilities.

Divergent Views

On the other hand, a large cross-section of Argentine financial, banking, and marketing circles is of the opinion that the rapidity with which Argentina has emerged from the recent economic depression is due primarily to this very inability to hold back the crops. Argentina has sold its wheat in a constant flow and even when prices were not good the grain moved out of the country and money moved in.

Another and much needed result of the new elevators will be the better grading of Argentine wheat, which should tend to improve the price. There is a notable improvement in this year's crop as the result of the government's distribution of pedigreed seed of various species in the zones best suited to each kind. The country elevators are not to do any grading nor to engage in trade, but are to be purely storage elevators, accepting grain for the account of third parties and guaranteeing the weight, quality, and date of delivery. Grading is to be done at the terminal elevators and, for the present, preferential attention is to be given to the construction of the terminal elevators because of this need for grading.

Better Financing

The new government-owned elevators will also make possible the better financing of grain farmers through the issuance of elevator warrants. In the past financing has been difficult and the farmers in many districts had come to look to their village storekeeper, instead of to the bank, for financing. This, naturally, led to widespread abuses which will be eliminated. One of the underlying motives for the construction of the 21 country elevators is to make storage facilities available to all farmers in all parts of the country under equal conditions and at reasonable costs. The tariffs have been designed to cover interest on the cost of construction and the expense of operation. In order to keep construction costs down to a minimum the government will not expropriate or purchase land sites for the new elevators but it will rent the land at very low costs from the railroads.

The six terminal elevators which are to be built immediately are to be located in the ports of Buenos Aires, Quequén, Bahía Blanca, Villa Constitución, and two in Rosario. Later construction will provide a second terminal elevator at Buenos Aires, a third at Rosario, and one each at San Nicolas, Santa Fé, Concepción del Uruguay, Diamante, La Plata, Mar del Plata and Zarate. The first Buenos Aires elevator is to be constructed in the New Port area on land reclaimed from the river and is to be by far the largest of all the elevators which are to be built. Its capacity will be 5,456,000 bushels, which is twice the capacity of the second largest elevator, which will be built in South Rosario.

There are three wheat producing zones in Argentina; the Buenos Aires zone which produces "Baril," a soft wheat; the Rosario and Santa Fé district which produces "Rosafe," a somewhat harder variety; and the Bahía Blanca district in the southern part of the province of Buenos Aires, which produces "Barusso," the Argentine hard wheat.

Argentine wheat flows into the export trade through twelve ports, three of which are on the South Atlantic seaboard, one on the Uruguay River between Argentina and Uruguay, two in the River Plate, and six on the Parana River. The Atlantic ports are Bahía Blanca, Quequén and Mar del Plata; the one on the Uruguay river is Concepción del Uruguay; the two in the River Plate are Buenos Aires and La Plata, and the six on the Parana River are Zarate, San Nicolas, Villa Constitución, Rosario, Diamante and Santa Fé.

Good Transport

The regions behind all these ports are well supplied with railroads and good roads. The investigation by the Grain Elevators Board brought out the interesting fact that one-sixth of the country's grain crop is now moved by motor truck over hard-surface roads. The extremely rapid increase in the use of motor trucks over Argentina's constantly expanding system of concrete roads was one of the determining factors which decided the Elevators Board against the construction of intermediary transfer elevators which had been recommended by Canadian experts for those country districts further removed from railroad stations. The Board's investigation of motor transport led it to believe that the grain would be hauled past such intermediary elevators and delivered direct to the elevator at the nearest railroad station.

Canadian Co-operation

The new elevator programme is the outcome of several years of study on the part of several government commissions which at various times have had the co-operation of Canadian elevator experts who came to this country in an advisory capacity. After a close study of the Canadian system, however, Argentina has decided on a system of elevators which differs in two outstanding respects from the Canadian system—the units will be larger, and there will be no intermediary transfer elevators such as those at Prescott and Kingston.

The 74,000-bu. unit was decided upon as the minimum unit instead of the 37,000-bu. one which was recommended by the Canadian experts, because the government wants to keep construction costs down to the neighborhood of $13 per ton capacity and found that under local conditions this could best be done by constructing larger units of reinforced concrete.

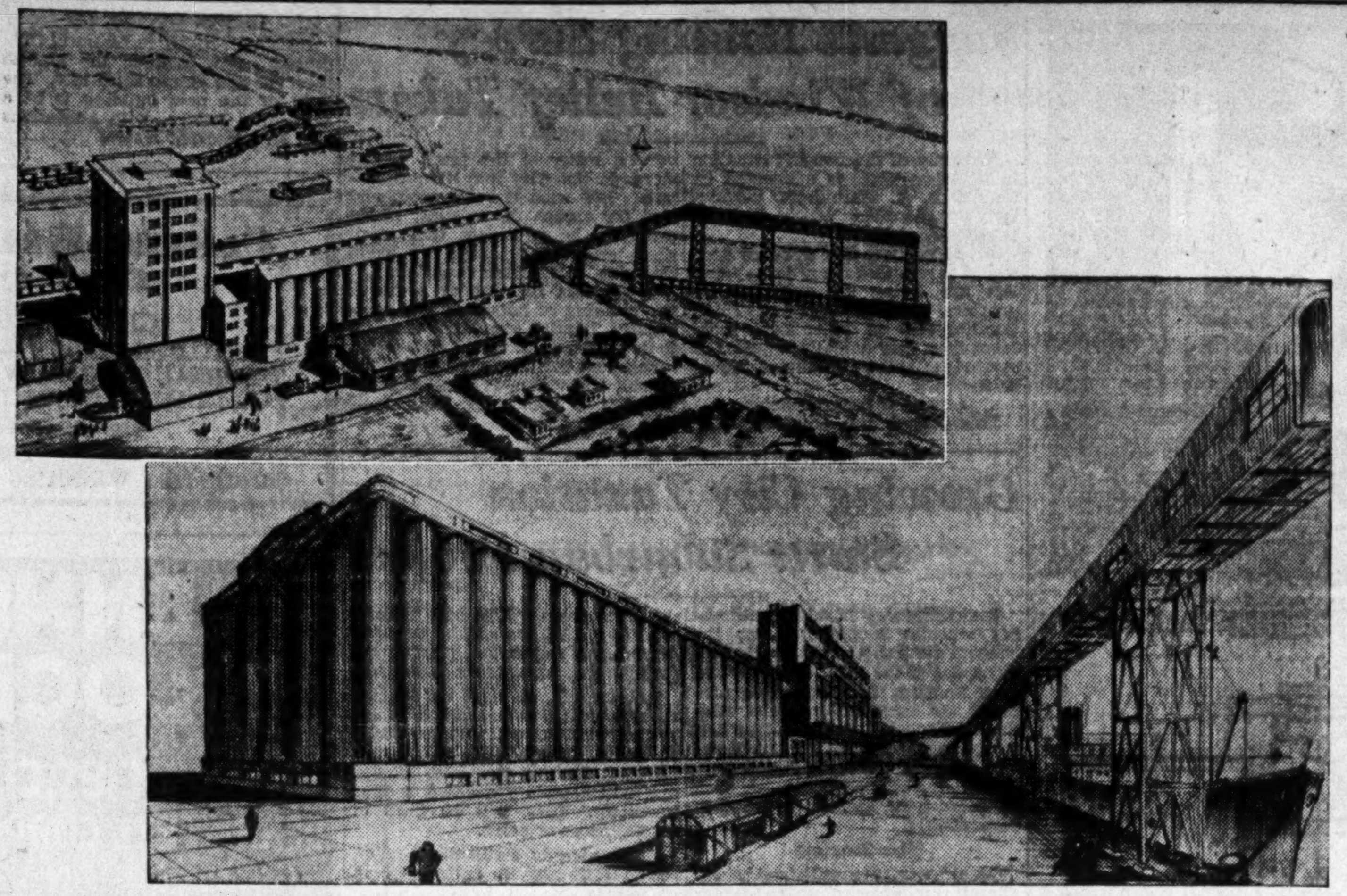
It was also ruled that transport conditions in Argentina differ so greatly from those in Canada as to make the intermediary transfer elevator unnecessary. In the first place, all parts of all three wheat zones are close to some one of the export ports, the average long haul not exceeding 150 mfles. Also, Argentina is not troubled with interrupted transportation over its waterways during the winter months.

Among the Canadian recommendations which the Elevators Board studied carefully was one presented by F. W. Riddell, who strongly favored the Canadian system of small-unit elevators. He argued that small-unit elevators reduce congestion, facilitate rapidity of movement, and permit adaptation to changing conditions from year to year in accordance with whether the crop is abundant or small. The Board decided that these advantages were outweighed by the lower cost per ton capacity of the larger units.

Railroads Interest

The Board's investigation also brought out the interesting fact that the roalroads, most of which are British owned, have invested $21 millions in elevators, warehouses, and grain sheds at railroad stations and that these provide storage space for 22 million bushels. In addition, there are privately owned sheds and warehouses, valued at $5.6 millions, with storage capacity for 5.5 million bushels. The government estimates that these railroad-owned and private facilities will handle about 50 per cent of the export movement even after the government completes its building programme. But the new elevators will take the control of the other half of the export movement out of the private hands which now control it and place it in the hands of the government.

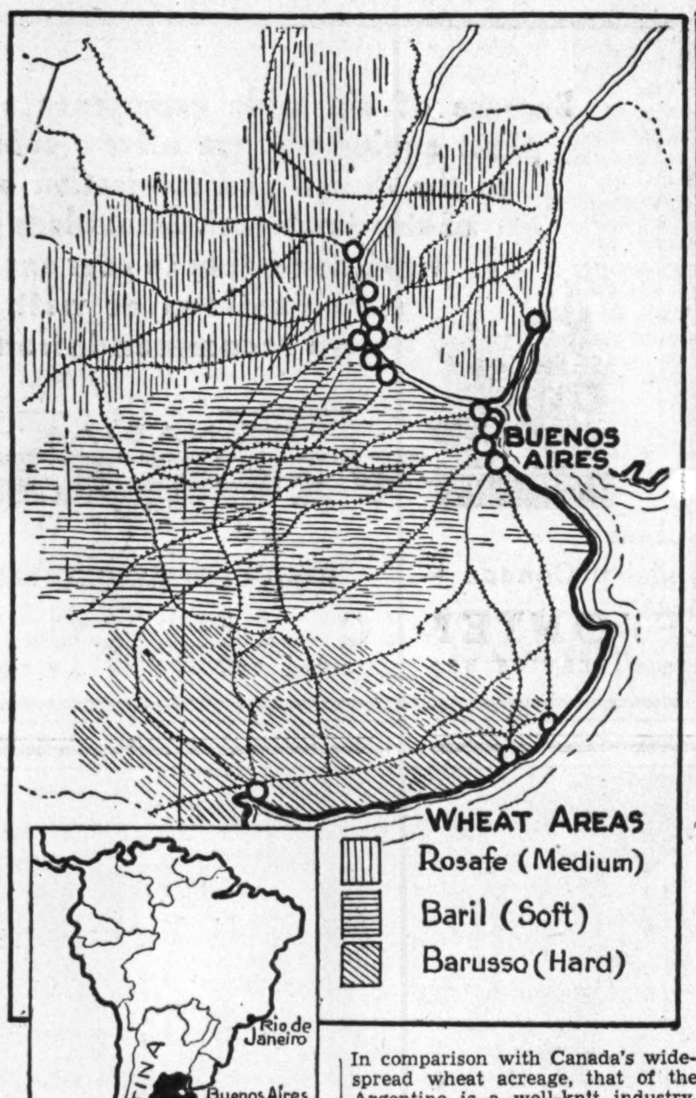
It is estimated that approximately $5 millions worth of machinery and equipment will be imported for the new terminal elevators. This is all the money that will leave the country, as the construction materials will be of local manufacture.



ARGENTINA BUILDS ELEVATORS

Bagged grain and rush shipments will disappear in the Argentine with the completion of the $28 millions elevator programme to begin this year. Fifteen terminal and 321 country elevators are planned, the total project to be finished within four years. Most of the country's elevator system will then be in government hands.

Above is shown one of the proposed river terminal elevators at Villa Constitución in the Rosafe wheat area. Below is five million bushel terminal for Buenos Aires. Six such terminals are to be built immediately.



In comparison with Canada's widespread wheat acreage, that of the Argentine is a well-knit industry, well supplied with railways and ports available to ocean-going vessels. Nearly 90 per cent of the country's grain is grown in an area smaller than that of Saskatchewan and within 150 miles of seaports. Shaded lines show principal growing sections of the three main types of Argentine wheat. Points at which terminal elevators are to be erected immediately are shown in circles. The country is well served by railroads and in addition by hard surface roads. One sixth of the grain crop is now moved by motor truck.

World May Feel Argentine Move

Something that may change the whole history of world wheat growing is going on in the Argentine.

This year will see a start on the $28 millions elevator construction programme.

Until the Argentine decided to follow Canada's example of elevator handling of grain the world trade simply had to make an estimate of Argentine production and then could count on that amount, less domestic use and Brazilian imports, being unloaded as rapidly as possible. Now, with an elevator capacity of nearly 50 million bushels, another element of uncertainty enters the world picture.

U.S. Building Up in April

United States building in April amounted to the largest month recorded since August, 1931. Total for 215 cities, according to Dun & Bradstreet, was approximately $84 millions, against $78 millions in March, and slightly under $52 millions in April, 1935. The bulk of this new building took place in the middle Atlantic States, where an increase of almost 60 per cent over last year is reported. The central states were next in line, with the Pacific area third, and the south Atlantic fourth.

Aggregate value of permits for the first four months of 1936 amounted to $268.5 millions. This represents the largest first four months since 1931, and is a gain of 77 per cent over the corresponding period of a year ago.

While no figures regarding the different types of construction are yet available, it is understood that in United States as in Canada, residential building is far in the lead.

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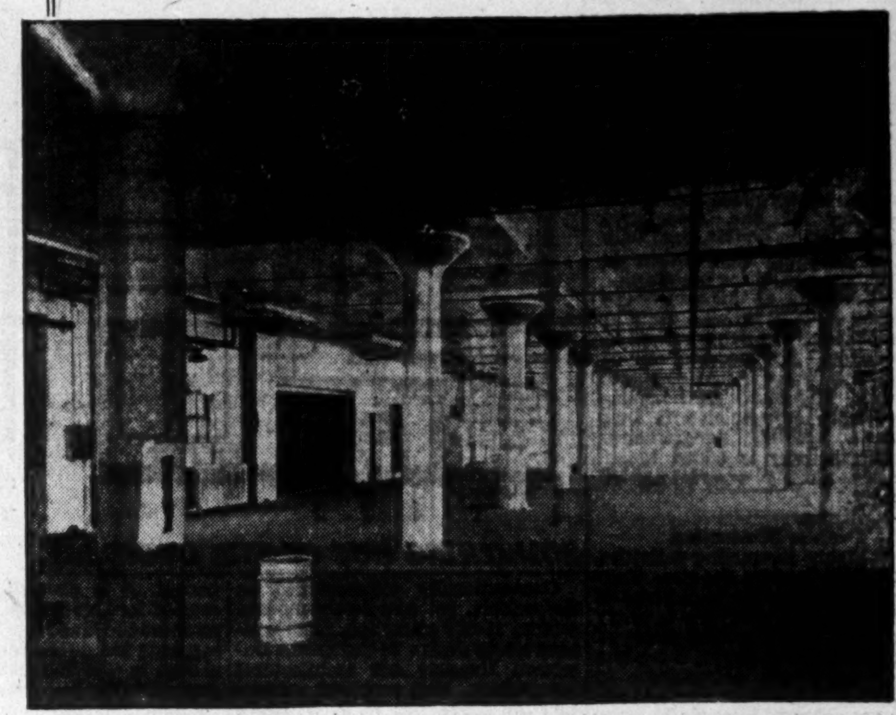

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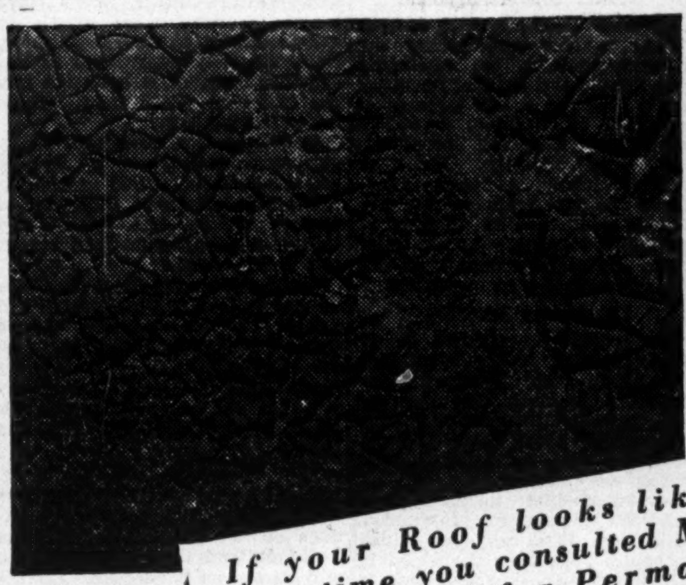

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Building Boom Seen on Way: Issue Warning

Violent Construction Cycles Deplored—Costs Are Rising

WOULD BUILD NOW

Is Canada on the eve of a construction boom?

Several leading construction company officials interviewed recently by The Financial Post say definitely yes. Undoubtedly in such cases the opinion is bolstered by a certain amount of hope, yet past cycles based on the rather scanty amount of statistical matter available, would lend weight to the prediction.

It is pointed out that the building industry, in common with general business, appears to move through more or less regular cycles of expansion and depression. But with building, it is admitted, the booms are more violent and the succeeding falls steeper and harder.

Five Cycles

Various stages of the building cycle are cited as follows:

1—A gradual increase in residential building.

2—A jump in industrial construction, led by plant extensions.

3—Entry of the speculative builder, first in houses, then with aid of generous bond issues, in apartments and office buildings.

4—The peak. At this time house building is going forward merrily. New factories are being rushed to completion. The staccato rap of riveters is heard in the financial districts. Big institutions invariably join the procession with long deferred building programmes. All this activity is added to an industry already working at capacity.

5—Collapse.

Deplore Fluctuation

Such highly fluctuating activities, construction leaders deplore. They claim that during the lean years of the collapse and until the industry enters well into the first phase of the cycle as noted above, there is a lot of cut-throat competition in order to secure any business at all. Costs are skimped in order to make sales. During this period, too, many organizations which would ordinarily move into more commodious quarters, continue to operate under crowded conditions which are inconvenient and economically wasteful. It is this repression of real building needs that is ultimately responsible for the periodical over-inflation cycles of the building industry.

Attracts Transient Labor

At the beginning of the boom, builders are in demand on all sides. During this time, the industry calls upon rural workers and low wage earners from regular industry for the great volume of labor which it temporarily requires. This is almost entirely unskilled and contributes to the high cost of peak conditions by inefficient work and low output. When no longer required it is unloaded upon the urban centres, and tends to remain there rather than disperse. It greatly aggravates the unemployment and social problems of the community.

As the boom increases, expenditures become more reckless, and costs mount, though actually poorer workmanship results. This especially applies, it is said, to residential and similar small type of construction where there is a smaller proportion of highly skilled work required and where buyers are less familiar with quality. Material costs, too, usually reach a peak in boom times.

On looking over the present field, close observers believe that Canada is now approaching the half-way mark in the expanding cycle. They point out that there has been a slow but steady increase in residential construction, despite unfavorable financing conditions until very recently. Industrial activity, it is said, has increased rapidly in the past year, and the volume of contemplated building of this nature must now be relatively great. Actual construction in this line, however, is just beginning.

Speculators Entering

The speculative element is already reported in evidence, particularly in some types of house apartment building, and material costs, though still moderate, have risen slowly since 1933. Recently there has been some tendency to pick up more sharply.

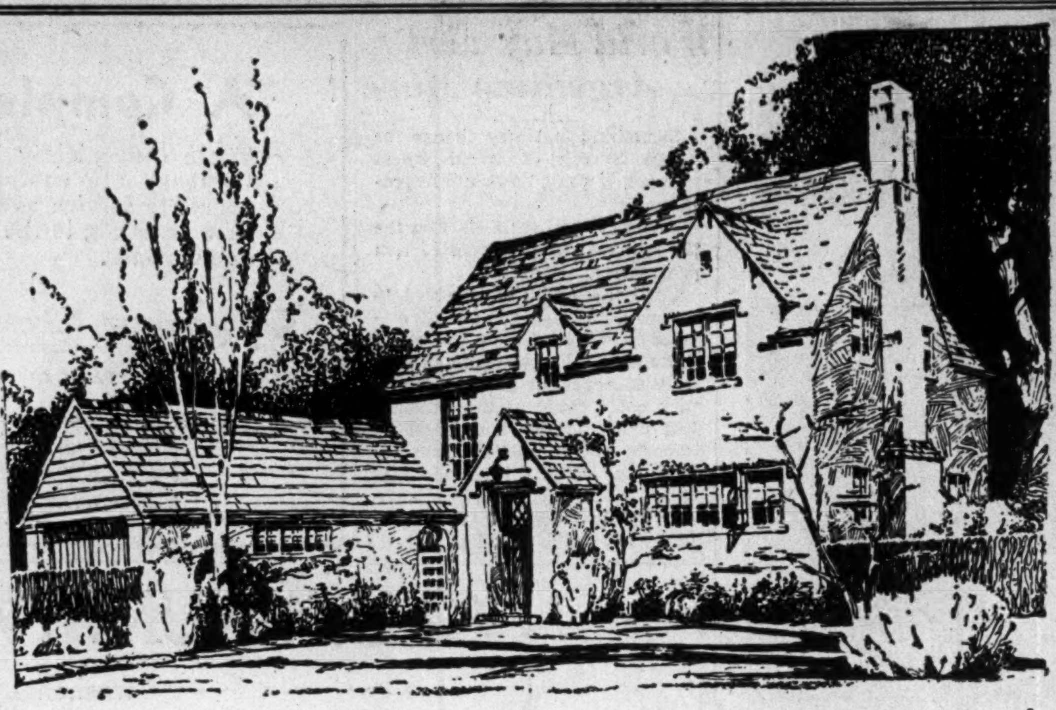
Notwithstanding unemployment, highly skilled laborers, it is claimed, are scarce. Practically no skilled mechanics have been developed in the past five or six years. Only a very small proportion of the skilled labor eliminated by the building industry in recent years will ever again be available. These men having given up looking for construction jobs during the depths of the depression, turned to some other industry in which they have been gradually absorbed and from which they are reluctant to leave. They argue that they are better employed in other regular work, even though hourly wages are lower.

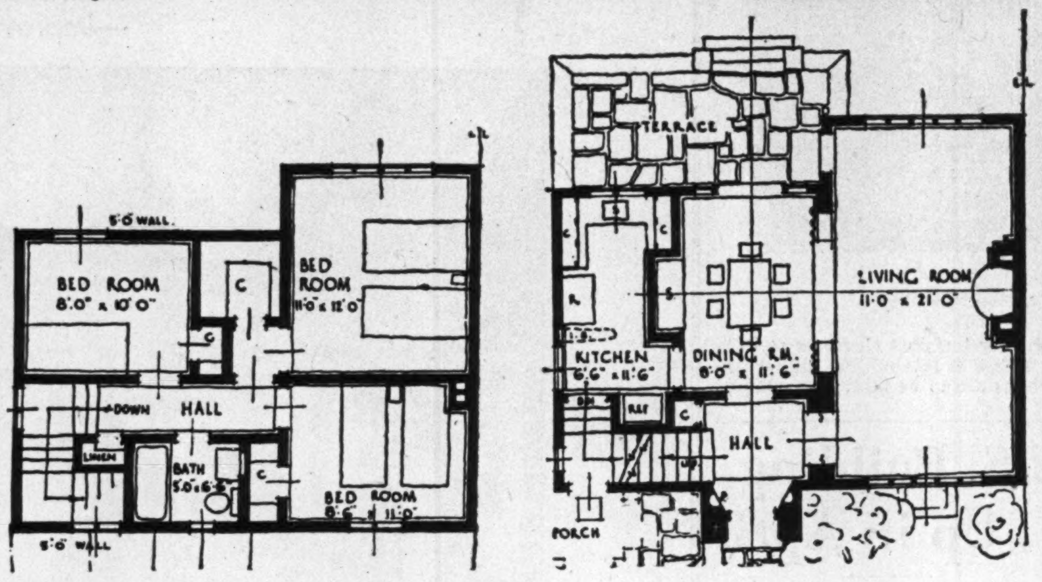
It is claimed that an increase in building activities to a point even far short of the 1930 level would be sufficient to create a labor shortage with its logical consequence of higher wages and inferior output.

Now, say builders, is the proper time to build. They look for a rapid increase in activities for perhaps the next ten years. Cycles, they believe, will be longer and less violent now that the government and money lending institutions are beginning to take a more intelligent interest in residential construction. The inspection service under the Dominion Housing Act, whereby the companies loaning the money make sure by periodical inspections while the building is going forward, will be a check on jerry construction.

Reduction in interest rates during the past two years has tended to make more funds available, it is argued, and works against any sudden boom.

Provided such institutions as banks, insurance companies, and other large financial organizations contemplating new buildings some time in the near future will enter the building market well in advance of the boom phase, construction authorities argue that the peak movement may be put off for a considerable period, if not gradually ironed out entirely.





SOMETHING OUT OF THE ORDINARY

Conventionally old-fashioned on the outside, yet completely modern within, is this attractive, prize-winning house design in the recent Dominion Housing Act architectural competition. The architect submitting the above was W. F. Williams, M.R.A.I.C., of Nelson, B.C. While it has the appearance of something in the $15,000 to $25,000 class, a closer analysis reveals that it is really a small house, of less than 15,000 cubic feet. Where local building by-laws permit, it is claimed it could be erected for less than $5,000 including an average-valued lot. Such a building, as in the three previous winners shown in The Financial Post, only contemplates the cheaper type of construction, such as brick or stucco veneered exterior walls and moderate insulation.

A fairly generous-sized living room is given the appearance of more spaciousness by a dining room connected by an archway. This sort of treatment and also front-attached garage was commonly used in most of the winning designs in the competition. Upstairs it will be noted that two of the bedrooms are rather small. The house is intended for a wider than 40-ft. lot, but the designer maintains it could be erected on a smaller frontage by eliminating the projecting chimney on the fireplace and making it flush with the blank wall as shown on the first floor plan, lower right.

Suggests Housing Survey of Windsor Relief Takers

A survey of the housing situation in Windsor, Ont., is advocated by Sheriff A. A. Marentette, particularly in the field which includes families on relief.

Mr. Marentette declares that such would reveal that many large families are living in over-cramped quarters, while in other cases small families also on relief have more room than they actually require. A rearrangement, he intimates, would be in order.

Loans for Improvements

This official also advocates converting many of the small vacant stores in that city into living quarters. For such a conversion, and also for repair of existing cheap property, he advocates that small short-term loans should be made available to Windsor proprietors.

"I consider that money spent in the building of homes in this community, besides providing a relief to unemployment, would be a sound investment for anybody," states the sheriff, "providing it were expended with a reasonable amount of care and judgment."

Growing City Taxation Starts Suburban Project

Something new in suburban housing schemes is proposed for the Niagara district. An area of 125 acres along one of the main highways has been secured, on which it is proposed to erect 115 modern residences. Each of these will have half an acre of landscaped ground. There will be certain definite restrictions, and all the city conveniences, such as water, light, gas, sewer, etc., will be available.

Flee Taxation

"Inefficient city management has invited this movement," states Stanley Mills, promoter of the project. "The logical thing to do when taxation becomes unbearable and discouraging is to move away from it."

Lots will be sold only with the houses. The property will have a frontage of approximately 100 ft., on lots 200 ft. deep. No buildings will be allowed closer to the inside avenues than 50 ft., and on the highway the houses will be built back at least 75 ft. All lots will be properly fenced, landscaped and planted before the purchaser takes possession.

Houses will be built on English architectural designs, and it is expected with lot will sell for $3,000 to $4,000. They will be air-conditioned, have a fireplace, garage, and will contain from two to four bedrooms. They will be built of frame, stucco or brick.

Buses already serve the locality, so no difficulty is anticipated in transportation.

Insulation Board Sales Mount Higher in Canada

Indicating the increasing use of insulation in Canadian construction, domestic shipments of rigid insulating board of all types during April, 1936, amount to 2.5 millions of sq. ft., as compared with slightly over 2 millions in April, 1935. For the first four months of the current year, shipments totalled almost 9.5 millions, as compared with 6.5 for the corresponding period in 1935.

Total sales have mounted steadily from less than 15 million sq. ft. in 1933 to well over 24 millions in the next year, and almost 28 millions in 1935.

Highway Network Grows

At the end of 1935 Quebec had 16,926 miles of surfaced roads, of which 15,993 miles are maintained by the provincial government. Of the latter number 5,706 miles are provincial and regional highways and 10,287 miles, municipal roads.

Oshawa Building Up

Building activity in Oshawa, Ont., during April, attained the highest level for that month since 1930. The bulk of the new building is of a residential nature, with alterations also an important factor.

Vernon Building

Vernon, B.C., is experiencing a building boom, with permits issued to the end of March this year amounting to $27,575, compared with only $6,874 at the same time in 1935.

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Kelvinator Sells Equipped Homes

Complete Air-conditioning Offered in Lower-priced Field

Hitherto, air-conditioning manufacturers in United States have largely confined their efforts to houses valued at $10,000 or more. Now, the Kelvinator Corp. of Detroit has launched a campaign into the $6,000 to $7,000 field. These prices include lots.

In co-operation with local utility companies, Kelvinator is erecting complete houses. Such are equipped with full air-conditioning, to operate summer and winter, and include an oil burner, refrigerator, and electric range.

It is claimed tests show that these houses can be heated, cooled, and lighted for approximately $185 a year, of which $75 is for oil and $110 for electricity. This sum includes operation of air-conditioning apparatus, oil burners, and current for all electric domestic appliances and lighting.

Different Designs

Houses built by Kelvinator have a living room, dining room, and kitchen on the first floor, and three bedrooms and tiled bath with tub and shower on the second. Each is of brick veneer, and is 24 by 27 ft. These are so designed that either dimension can face the front of the lot. Though interiors may be identical, plans are elastic enough to permit a distinct variation outside.

The houses are designed to get most efficient use of air-conditioning equipment. Walls have over three inches of rockwool insulation, and four inches in the roof. Windows and doors are weather stripped. All heating and cooling equipment is concentrated in one section of the basement, with overhead pipes reduced to a minimum.

The houses have been appraised liberally by the Federal Housing Adminstration, and apparently can be financed under the government low interest plan.

New Industries

The Toronto Industrial Commission announces that:

Albert Mfg. Co., Providence, R.I., manufacturers of jewellery, has formed a Canadian subsidiary at 243 Spadina Ave. F. W. Sawtell is vice-president.

* * *

Metal Forming Corp., Ilkhart, Indiana, has leased property in Windsor to open a factory next month for the manufacture of tubing parts, steel tubing, cold rolled moldings, etc. (Windsor Star).

Metcalfe Foods, Ltd., is constructing a new plant in Oshawa, Ont., to be ready for operation during the summer. (Oshawa Times).

Daily Commercial News notes that:

Brinton-Peterboro Carpet Co., Ltd., Peterboro, Ont., plans a $25,000 addition to the factory.

Roberval & Saguenay Rly. Co., Montreal, has started work on a new $25,000 coal loading plant.

Belding-Corticelli, Ltd., Montreal, has awarded contract for construction of transformer room at the manufacturing plant.

J. B. Martin Co., Ltd., St. Johns, Que., silk and velvet manufacturers, is erecting an additional unit.

Fewer Telephones in Use

Number of telephones in operation in Quebec at the end of last year amounted to 8.7 per 100 of population. This is the lowest figure ever reported.

Edmonton Telephone Business on Upgrade

An increase of almost three per cent in number of telephones in service in Edmonton compared with 1935 is reported. The total as at April 20 was 15,873.

More than 41 million calls were made in Edmonton in 1935, an increase of 3½ per cent. Out of every 100 residences in the city, 19 have telephones installed. Provincial Telephone Department officials report long distance calls up 10 per cent over a year ago.

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"Power" suggests that alert engineers are combing their plants for wasted power dollars "like you comb a dog for fleas." If you are on the hunt for power leaks, may we suggest a J-M Insulation Survey?

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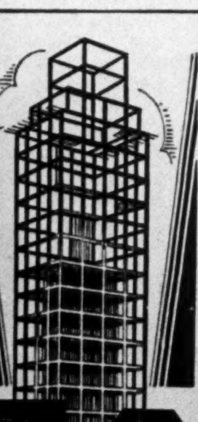
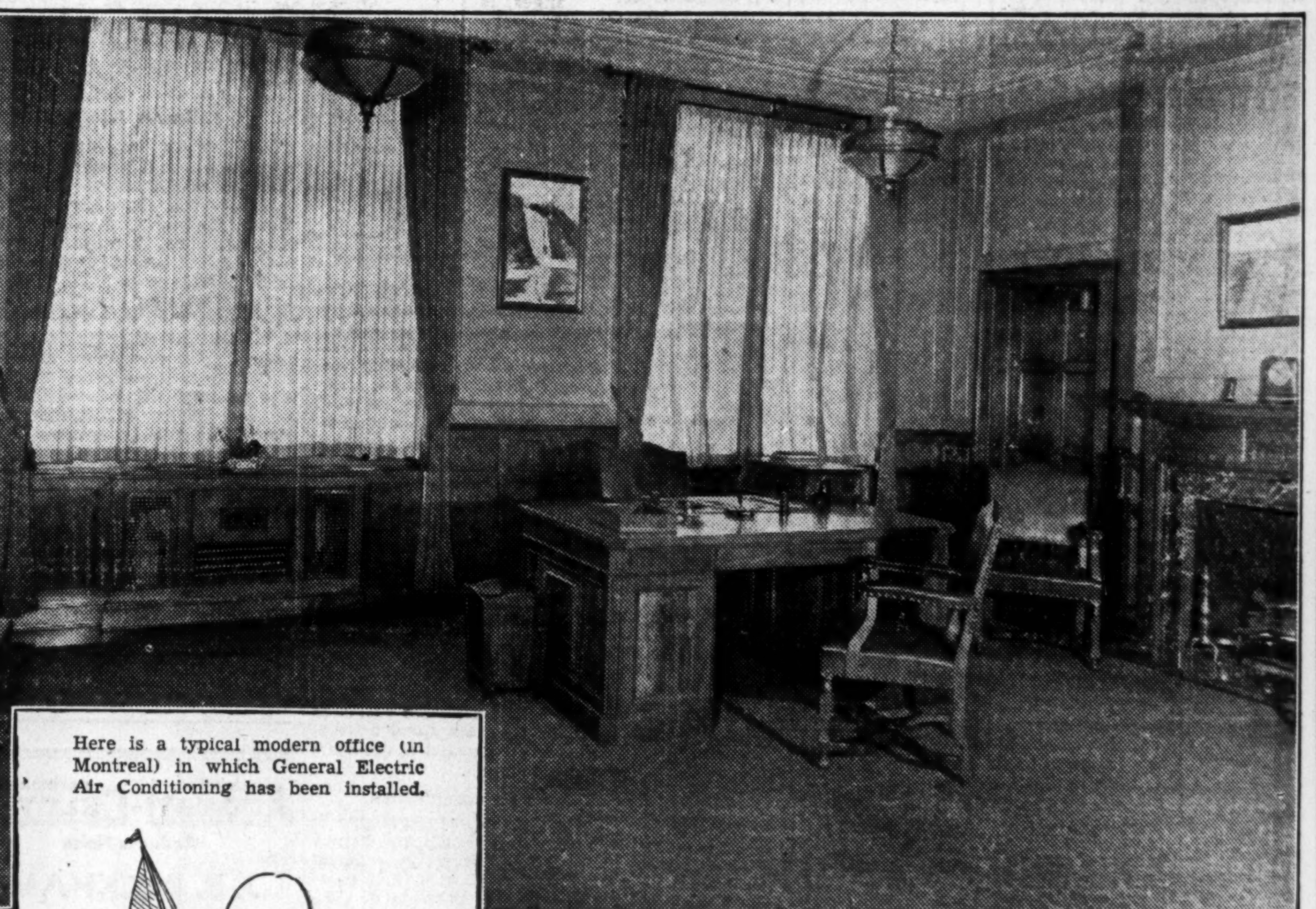
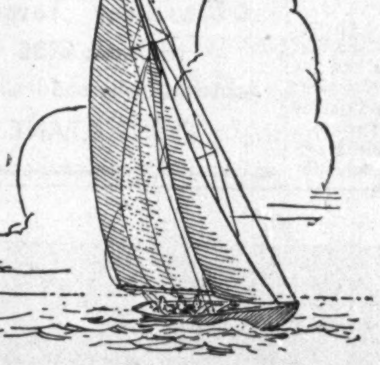




Here is a typical modern office (in Montreal) in which General Electric Air Conditioning has been installed.



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THE FINANCIAL POST

SECOND SECTION

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Eastern Areas Are Taking Up Housing Loans

But Few Advances Made in Western Provinces

TO ENLARGE SCOPE?

From Our Own Correspondent

OTTAWA. — While details of the spring developments under the Dominion Housing scheme will not be available for a fortnight or more, it is learned authoritatively that rapid progress is being made in the central provinces. Large inroads are being made in the $10 millions fund appropriated by parliament in 1935 and, while no further moneys will be required this year, the future of the scheme will be dealt with in 1937.

Chary In West

The sore points so far are the western provinces, where the lending companies appear to be very chary of undertaking new loans. Alberta has been ruled out for obvious reasons but the other three western provinces have fared little better. The explanation, as given by the lending companies, is that new construction cannot be justified until the large number of houses now glutting the market at cut prices has been absorbed.

May Add Modernization

Experience under the scheme to date indicates small likelihood of the treasury being called upon to take losses. It follows that the scheme will be enlarged in 1937, both in the matter of money and in the purposes for which it can be spent. The most obvious enlargement in the latter field is to include repairs and reconstruction, thus enabling house owners to avail themselves of the low interest rates.

Slowed Up in West

While the Sun Life Insurance Company, according to David B. Mansur, Inspector of Mortgages, is not contemplating western loans under the Dominion Housing Act at present, nevertheless he reports a stimulation of the building industry through this piece of legislation, particularly in eastern Canada.

Mr. Mansur is quoted as saying that he did not think the present conditions in Winnipeg and several other western cities would justify any great building. He points out that there are still a great many houses for sale at prices far below replacement or present building values. For what actual building is necessary, he believes that sufficient loaning institutions have already entered the western field to handle the limited business believed impending.

Mr. Mansur told a Winnipeg paper that it was already evident that the Dominion Housing Act would not fulfill all the dreams of many would-be builders, either for speculation or home owners. Nevertheless, he said, as far as it goes, it is bringing about a considerable amount of building, and the money loaned by the government and the lending company is about as safe as money can be in any building scheme.

Safer Loans

Not only is the loan fairly secure, but under the plan the average home owner is afforded a protection he seldom or never gets under any ordinary loan plan, he said. Its strong feature, Mr. Mansur points out, lies in the fact that it cannot stimulate building where building cannot economically be undertaken. The onus of deciding whether a certain building is necessary, or whether the applicant is a proper risk lies with the loan company. Unless all of these questions, and many more, can be answered satisfactorily the loaning company does not forward the application to Ottawa.

Buyer Protected

Protection to the individual, particularly the applicant who wishes to build a home for himself, comes first of all from the very complete plans which must be drawn and approved, both by the loaning company and by the government representative. It is carried right through the construction of the building because of the fact that the loaning company must make periodic inspections, usually about five, before the house is completed. They are made at such times as to ensure a thorough knowledge of every part of the construction and if any part is not done in a proper manner it simply has to be done over again until it is satisfactory. It is insurance therefore for the home builder against cheap and shoddy construction.

Jenkins Heads Dominion Board

Insurance Underwriters Elect Officers — Change in Constitution

At its general meeting at Lake Placid last week, the Dominion Board of Insurance Underwriters elected the following officers and council for the ensuing year: John Jenkins, Employers' Liability, president; J. H. Riddel, Eagle Star, 1st vice-pres.; W. E. Baldwin, Continental, 2nd vice-pres.; C. E. Sword, Union of Canton, W. E. Findlay, Springfield, E. J. Kay, North British & Mercantile, B. W. Ballard, Hartford, John Holroyde, Commercial Union, H. C. Mills, Insurance Co. of North America; C. E. Sanders, Atlas, C. S. Malcolm, Royal Exchange, Kenneth Thom, Western, J. Ross Stewart, Aetna, J. B. Alexander, Canadian Surety and C. W. C. Tyre, Phoenix of London, council.

The constitution was amended to provide for three additional members of the council and authority given existing officers and council to make the necessary nominations.

Sir Norman Angell Solves "Money Mystery"

Noted Writer Deals With Money and Credit In Plain Language

This is the ninth of a series of articles written especially for The Financial Post by Sir Norman Angell on the operation of money and credit.

By SIR NORMAN ANGELL

Our brief survey of the history of money has revealed quite clearly certain indisputable truths: man has often mismanaged money, or allowed it to get out of hand, with great damage to himself. The damage done is proof that the proper management of money is vitally important: while being indispensable, the way it is managed may make all the difference between prosperity and poverty, progress and decline.

SIR NORMAN ANGELL

Cannot Evade Problem

We cannot solve this problem merely by saying "Leave money alone. Don't monkey with it." Does leaving it alone mean, for instance, remaining off the gold standard as at present or returning to it? And if we are to return to it, at what ratio of old or new pounds or dollars? Shall we manage gold or manage without gold? Does leaving it alone mean abolishing all the elaborate legislation which exists for the control of banks and going back to the practice of the eighteenth century in Britain, where every bank could issue as many banknotes as it pleased? We cannot evade the problem of management because money is in any case a man-made thing. There is no such thing as "natural" money, since man has used for money almost every imaginable thing—shells, beads, beer, tobacco, rice, goats, stones, cattle, slaves, copper, iron, electrum, silver and gold. Which is the "natural" money?

If it be true to say that in the kind of world we now inhabit we could not possibly live without money so it is true to say that if we have money at all, we cannot possibly do without credit, banks, and all the complications which they set up. We cannot possibly just "leave it alone."

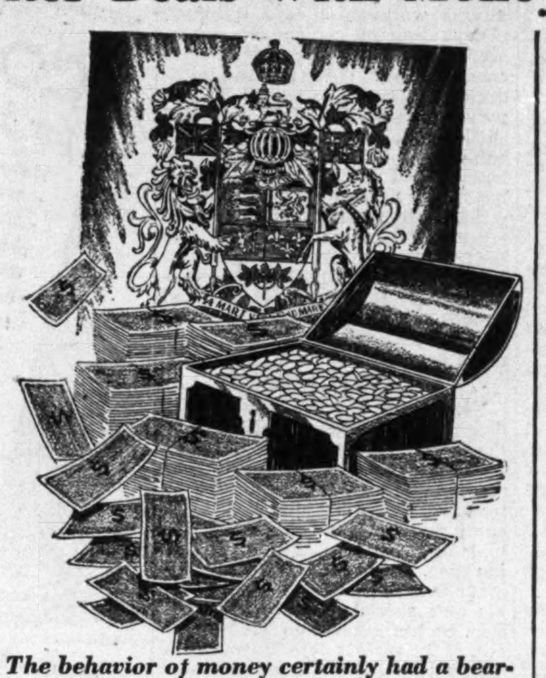
The practical question, therefore, is: "Does past experience help us? Does it show what pitfalls to avoid? The answer cannot be in doubt? Man falls again and again into the same pits, and it will certainly help him to know just what the pits are. If experience cannot always tell him what to do in order to cure certain of his economic sicknesses, it tells him what to avoid in order to escape sicknesses that may become veritable pestilences.

"Amateurs" Ignore Experience

Some conclusions are already clear. Indiscriminate increase in the quantity of money, without reference to increase of goods or exchanges, is bound to bring disaster. And almost every "amateur" project of monetary reform ignores past experience in this respect. If we are to control money, we must be able to reduce as well as increase its quantity, and must discover the principles which must guide us in this respect.

Certain tests of "good" money as distinct from "bad" commonly trusted to in the past have proved untrustworthy, and, in a further survey of paper money experiments presently, we will deal with the point.

Because the resort to paper money has almost always been accompanied by gross abuse, there is a natural tendency to conclude from that experience that if men had stuck to the precious metals all would have been well. But gold can be disastrously mismanaged even when there is no shortage, as the story of the American boom of the second decade of our century and its resultant depression proves to us. Moreover, while in the past gold money may not have misbehaved with such suddenness and violence as most paper moneys (not all) have done, there are many who believe that its faults, while being subtler, are in the long run as damaging. Some historians believe that it is variations in the value of gold, the shortness of its supply at certain junctures, which account for chaos that has resulted in the downfall of great civilizations. Thus Sir Archibald Alison ascribes the fall of Rome to the exhaustion of the gold and silver mines of Spain and Greece. The decline in the quantity of money brought about a fall in prices which set up the familiar phenomena of depression, creating dislocations which the ancient commercial world could not manage. The gold discoveries of America were needed, he says, to rescue man once more.



The behavior of money certainly had a bearing on the constitutional struggles of the seventeenth century which laid the foundation of modern democratic England.

Alison might have supplemented his survey by pointing out that decline in the value of the precious metals played a large part in precipitating the struggle between King and Parliament in seventeenth century Britain. As the increase in the supply of metal lowered the purchasing power of money, the Crown had to struggle for larger grants from Parliament. People did not understand what was happening, but the Crown certainly knew that money was worth less in terms of goods and services than formerly. Queen Elizabeth was parsimonious and managed to pull through without crisis. But it was different with James I and Charles I. The behaviour of money had certainly a bearing on the constitutional struggles of the seventeenth century, which laid the foundation of modern democratic England.

In juxtaposition with the quotation from Alison one might quote very respectable economists who insist that it does not matter two straws whether the amount of monetary metal be great or small, so long as changes in the quantity do not take place too rapidly.

As between these two positions where is the truth?

The answer ultimately depends not so much perhaps upon our reading of a certain set of facts in monetary history, as upon our view of the degree to which it is possible for man to adapt environment to himself and himself to environment; of how far man is necessarily puppet of such fortuitous circumstances as the discovery of a new gold mine or silver mine.

If we examine the monetary history of Greece and Rome, we find a very complex manipulation of standards and currency. For long the standard money was copper; then silver was added, then gold. Sometimes there was a double and sometimes even a triple and quadruple standard. In the case of Sparta, iron had been the standard. We find that for many centuries money was used successfully in a high state of civilization without the use of either gold or silver; that, indeed, the most stable (but the least free) civilization of all existed for something like three thousand years without coinage; and sometimes, as in the case of China, where coins were used, gold was never employed for long periods, nor even silver; that the oldest existing civilization, and on the whole the most stable known to history, did not need the precious metals at all.

The implication of the view that civilization has depended upon the discovery of gold, or the failure to discover it, is that man's fate is by nature and some law of his being linked helplessly to gold; that if this fail him his civilization must die; that he is as helpless in the presence of the failure of gold—and silver—mines as he would be before the cooling of the earth or the advance of a new ice age, and that consequently, the frenzied and murderous scramble for the precious metals which we saw in Elizabethan times is simply part of the inevitable struggle for life. Such a view distorts alike the nature of money and, let us hope, the nature of man.

In our own time, for considerable periods (as during the war) nations got off the gold altogether, and are finding that even in peace time it is an exceedingly unsatisfactory basis for money; are questioning whether it ought to be retained, and, if retained, whether we ought not to control its value consciously, to make it, that is, our servant instead of our master. What is certain is, that should the world now be faced by a shortage of gold—which it may be—it is extremely unlikely to sit down helplessly under such an event and see its civilization go to pieces as, it is alleged, Rome's went. We are taking steps to the end of bringing the thing under proper control. We, at least, realize that the use of gold is not fated; that if it should prove an inadequate or dangerous tool for our purpose we can, if we are wise enough, reshape that tool, or abandon it and use another.

More useful for our present purpose than the monetary history of the ancient world, interesting as that is, is the history of some of the outstanding paper money experiments of the last two hundred years.

One of the greatest, strangest, and most illuminating was that which the Scottish adventurer, John Law, induced the French Government under the Regent Orleans to adopt.

Whether Law really believed in his own schemes it would be difficult to decide. He had seen land banks work successfully in America, where, however, he had not remained long enough to see them fail. In the country where his scheme was first published, the Bank of Scotland had issued notes to the amount of four or five times its coin resources without bad consequences. It was therefore but natural that he should have imagined that these instances of paper issues exemplified an inherent principle of money, that this principle was security of redemption in some kind of property and that this being provided for, the issues might go on illimitably.

Such a doctrine was plainly one which the French regent, harassed by financial difficulty, would find singularly attractive. Law's views were, in fact, greeted by the government, and he was accorded permission to establish a bank upon the principles he had laid down.

By an edict of May 2, 1716, a private institution called La Banque Generale, and managed by Law, was founded. In 1718, the bank became a government institution under the name of La Banque Royale. Law was director, and the king guaranteed the notes.

Louisiana "Favored Land"

In order to provide a "backing in real property" for his notes (this was part of Law's theory of money) the bank organized a mining and colonization scheme entitled the Compagnie des Indes Occidentales, or West India Company, better known as the Mississippi Scheme. The capital of this concern was 100 million livres, 200,000 shares of 500 livres each, receivable one-fourth in coin, and three-fourths in "billets d'état," a new form of state notes which the regency had issued, and whose value in coin had already depreciated. The company had obtained from the Crown a grant of the province of Louisiana, which, it was said, was filled with gold and silver and precious stones, and parties of colonists were formed in Paris to explore this favored land and transport its treasures to France.

Meantime Law had been made "Duke of Arkansas," and flung titles to a host of retainers. He fought enemies in high places, and juggled like a master-magician with shares, premiums, installments and issues. He outbid a rival company for the national monopolies, and gradually drew into his "system" the whole fiscal administration.

At a furious rate he remodelled everything. He revived the fisheries, built bridges and canals, and asylums for the poor, and took steps to make Paris a seaport. He deprived greedy clerics of their lands, and at the time of his downfall was about to abolish tolls and reduce import duties.

Europe has never witnessed such vast transactions. The bank presses poured out the notes, the public rushed to buy, the price soared, and Paris went mad with excitement. All the gamblers and tricksters of Europe flocked to the Rue Quincampoix, and some fabulous fortunes were made.

But the "system" was doomed. People began to sell their shares and to buy coin, houses, land—anything that had a stable element of value in it. There was a rapid fall in the shares, a rapid rise in all kinds of property, and corresponding depreciation of the paper money.

By November, 1720, the "system" had disappeared. Law left France secretly in December, resumed his wandering life, and a lottery scheme drew him to Venice where he died, poor and forgotten, on March 21, 1729.

So little does experience seem to teach in these matters that in the very year of Law's dramatic failure, the British Government espoused and pushed, as a means of paying off the National Debt and as an alternative to the methods of assistance then furnished the government by the newly established Bank of England, which had political enemies, a scheme even wilder than Law's. This was the famous South Sea Bubble. Its history is a familiar one, and need not be repeated here.

Didn't Wait for Collapse

It is suggestive that Law acquired some of his financial ideas from residence in the American colonies, where he had seen similar schemes started but had not remained long enough to see them fail.

Every one of the American colonies had in lesser or greater degree indulged in paper money experiments, starting a few decades after the landing of the Pilgrim Fathers. The experiments went on from the middle of the seventeenth century to the green-backery of the Civil War. Always is the story the same: First, a moderate rise of price, then a rapid one, and then—shoes at five thousand dollars the pair.

From the record of a certain period of American history one takes this paragraph:

"Barbers' shops were papered in fact with the bills, and sailors on returning from their cruises, being paid off in bundles of this worthless paper money, had suits of clothes made of it, and with characteristic lightheartedness turned their loss into frolic by parading through the streets in decayed finery."

What is the period? It is 1779 in Virginia, at the close of the Revolutionary War. But it would have been just as true a picture of conditions nearly a century later at the close of the Civil War; or as regards some of the world's enemies, in the twenties of the next century, after the Great War.

With all the experience of the revolutionary finance or war finance before them, state after state persisted in the belief that "more money" would cure their troubles in the disastrous efforts to apply the remedy.

No experience shook the popular faith in the feasibility of performing economic miracles by manufacturing money. The confederacy, as we know, depended mainly for its means of financing the war upon the issue of irredeemable paper money, with results that are familiar. Yet a southerner, writing of his recollections of that time, says:

"Will the reader believe that with gold at a hundred and twenty-five for one, or 12,400 per cent premium; when every day made the hopelessness of the struggle more apparent; when our last man was in the field; when the resources of the country were visibly at an end, there were financial theorists who honestly believed that by a mere trick of legislation the currency could be brought back to par? I heard some of these people explain their plan during a two days stay in Richmond. Gold, they said, is an inconvenient currency always, and nobody wants it, except as a basis. The government has some gold—several millions, in fact—and if congress will only be bold enough to declare the treasury notes redeemable at par in coin, we shall have no further difficulty with our finances. So long as notes are redeemable in gold at the option of the holder, nobody wants them redeemed. Let the government say to the people, 'We will redeem the currency whenever you wish,' and nobody except a few timid and unpatriotic people will care to change their convenient for an inconvenient money. The gold which the government hold will suffice to satisfy these timid ones, and there will be an end of high prices and depreciated currency. The government can then issue as much more currency as circumstances may make necessary, and strong in our confidence in ourselves we shall be the richest people on earth; we shall have created the untold wealth which our currency represents."

Must Regulate Exchange

"Which our currency represents"! There is the heart of most of the paper money fallacies. Money may be "backed" by "boundless" potential wealth of the future, but it will nevertheless depreciate if its value is too great in relation to exchanges to be performed in the present.

Having noted some of the failures of the past it remains to note, in another article, some of the successes, in order that we may hope more clearly to determine the factors which distinguish the failures from the successes.

Loan Council Parleys Meet With Failure

Differences Between Dunning and Aberhart Not Reconciled

BOTH ADAMANT

From Our Own Correspondent

OTTAWA.—Negotiations at Ottawa last week between Premier Aberhart and the Dominion government failed completely to remove differences of opinion on the proposed loan council policy and the Federal guarantee of provincial debt.

One consequence is that the whole loan council scheme appears to be in jeopardy.

Apart from an agreement with respect to unemployment relief, no progress was made.

The objectives of the two governments may be summarized as follows:

Mr. Aberhart desired a Dominion guarantee of $166 millions of the provincial debt and immediate Dominion aid to meet the $9 millions of savings certificates now outstanding, many of which are payable on demand.

The Dominion government wanted Mr. Aberhart to agree to the loan council policy of Hon. Charles Dunning, Federal Minister of Finance (under which a Dominion guarantee would be available to the province) and, in any event, not to proclaim the provincial statute providing for compulsory conversion of debt.

Both Losers

Mr. Aberhart lost out. Under no circumstances will Ottawa give him a guarantee unless he subscribes to the loan council policy.

Ottawa lost out as well, as Mr. Aberhart gave no indication of weakening on his compulsory conversion policy. He has not yet proclaimed the statute and the arguments of the Dominion that he should consult with his bondholders and seek a voluntary conversion may yet bear fruit. Undeniably, the Dominion believes that the arbitrary enforcement of this provincial statute will work an injury on the national credit.

Aberhart Requests

Mr. Aberhart came to Ottawa with a brief-case full of suggestions.

He desired the Dominion guarantee without any real strings attached.

He wanted Ottawa to take over and maintain some 750 miles of highway in the province—presumably the approaches from the international boundary to the national parks in the province.

He advanced a claim to $40 millions on account of the alienated natural resources.

These were the most important of his requests.

The claim for $40 millions arises out of the natural resources settlements with Saskatchewan and Alberta in 1930. At that time the unalienated resources were returned to the provinces and the Dominion agreed to continue the subsidy in lieu of resources for all time to come. This subsidy is based upon population and ultimately will rise above one million dollars per year.

Resources Unsettled

In 1930, the question of what further sums of money, if any, should be paid to these provinces to compensate them for the alienated resources was submitted to arbitration. The tribunals found for $5 millions to each province, but in the Saskatchewan case, the representative of the province brought in a minority finding recommending $40 millions.

Alberta's claim last week indicates that the resources settlements with these two provinces are still a long way from finality. The provinces will not accept the majority finding and the Dominion, it is learned, has no intention of going beyond it.

The loan council discussion, it is learned, was important chiefly because it revealed an almost complete inability on the part of the representatives of the two governments to understand each other. Mr. Aberhart labored under the impression that the loan council policy demands a definite forfeiture of essential provincial power—the power, for example, to incur debt without the approval of the council. He is reported to have stated, bluntly, that under no circumstances would he consent to such a sacrifice on the part of the province.

On the other hand, efforts to show him that the Dominion in giving a guarantee would be forfeiting freedom of action, were futile. It was explained that once the Dominion has guaranteed Alberta's debt, the contract will be binding on Ottawa regardless of future changes in government. Why should not Alberta bind herself equally securely to her part of the bargain—to submit future borrowings to the loan council?

Mr. Aberhart, it is understood, is not so much opposed to the loan council policy, as such, as he is to binding future legislatures to keep any bargain he may make.

W. R. Drynan President Of Canadian Canners

W. R. Drynan, Hamilton, general manager, was elected president of Canadian Canners Ltd. at the recent annual meeting. He succeeds Avern Pardoe, Toronto, who was made chairman of the board.

Officers are now as follows: Avern Pardoe, chairman; W. R. Drynan, C. E. Innes, Simcoe, vice-president president and general manager; and assistant general manager; P. Croucher, secretary-treasurer; all except Mr. Croucher, being directors. Other directors are: Aleck Leitch, Hamilton; W. L. Innes, Simcoe; W. G. Lumbers, Lt.-Col. W. G. McKendrick, J. A. Northway, Toronto; G. C. Edwards, Ottawa; E. A. Pearce, Picton.

Quebec Heads for Political "Showdown"

By WELLINGTON JEFFERS

Hardest working parliamentarians of Canada nowadays are the members of the Quebec Legislature.

Hon. L. A. Taschereau, premier of Quebec, leads a government party which has only a majority of four and he faces an active aggressive opposition taking advantage of every possible opening to bring about showdowns on various public issues. The atmosphere is at all times tense and electric. No member can absent himself for a few days or even a few hours from the chamber with the idea that the government is safe.

Ordinarily the legislative Assembly has 90 members but nobody at the moment represents Mercier. The election of a speaker removes another member from active circulation except in the unlikely but possible case of a tie vote. There are 46 other members in the government party and there are 42 opposition members made up of 16 Conservatives headed by Maurice Duplessis, who is 46 years old, and 26 L'Action Liberale Nationale members headed by Paul Gouin, a young man of 36.

Duplessis is Possible Premier

At the moment these two opposition parties form a compact body which has agreed on Mr. Duplessis as parliamentary leader because of his long experience and apparent mastery of parliamentary tactics and strategy. Paul Gouin, the tribune who represents in his person and personality the ideals which caused the formation of L'Action Liberale Nationale, a growing force in Quebec politics, defers to Mr. Duplessis on the floor of the House. It is the common report around Quebec that it is thoroughly understood between the two men that if a new election comes in 1936 and the present Opposition party succeeds to power, Maurice Duplessis will be the Premier and Mr. Gouin will name the members of his cabinet.

These joint leaders are a formidable threat to the government party which has had its own way with ineffective opposition for 36 years. The party whips have suddenly assumed a great importance. Members are required to be within easy call in case a snap vote may be precipitated at an unexpected moment and the government defeated. Already quick-witted members have had to throw themselves into the breach on several occasions and talk against time while members not in the House were being gathered from their rooms and from the corridors.

Angling Goes On

While this obvious fight goes on for a parliamentary advantage, one not quite so obvious goes on behind the scenes. The government party has been angling for support of L'Action Liberale Nationale and its leader, Paul Gouin. The latter insisted that the offer should be public, and Premier Taschereau did hold out an olive branch. Then Paul Gouin in a speech remarkable for its ironic good nature, refused to go over, saying that Mr. Taschereau desired not to save a party or a government but merely a regime.

But the angling goes on. Both sides are fishing in the troubled waters. The opposition party is trying to make certain government members believe they are backing the wrong horse. Some opposition members claim they have been offered money for their support. One Elie Lariviere, member for Temiscamingue, especially, says he was offered $25,000 to switch to the government side. Government members constantly challenge Lariviere to name the tempter. Lariviere refrains on the strange ground that the man who tempted him is too contemptible and low to be mentioned. That has aroused a lot of light-hearted comment. The veteran representative in the Quebec gallery of the Montreal Gazette, Abel Vineberg, chaffed Lariviere about the matter one day in the corridor.

"I have got the low-down on this offer made to you, Mr. Lariviere," said Mr. Vineberg.

"What do you mean?" said Mr. Lariviere.

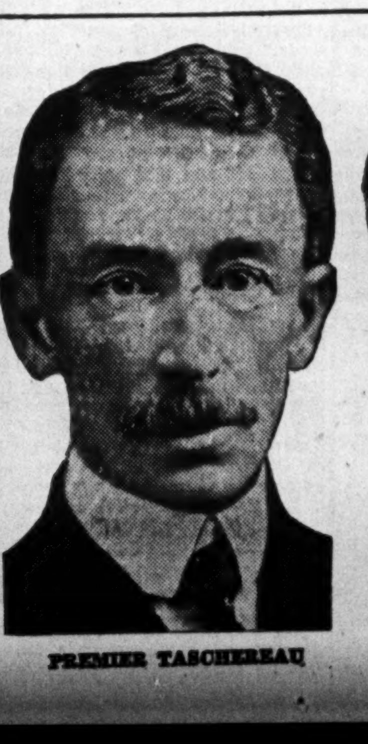
"This is the low-down," said Mr. Vineberg. "You took the $25,000 to go over to the government side. Then you took $50,000 to stay where you are. You got $75,000 in all."

Of course, all this was chaffing. Lariviere so understood it and drew a large bunch of bills from his pocket, saying laughingly, "This is some of it." But government members retort that the "tempted" opposition members place too high a value on their worth.

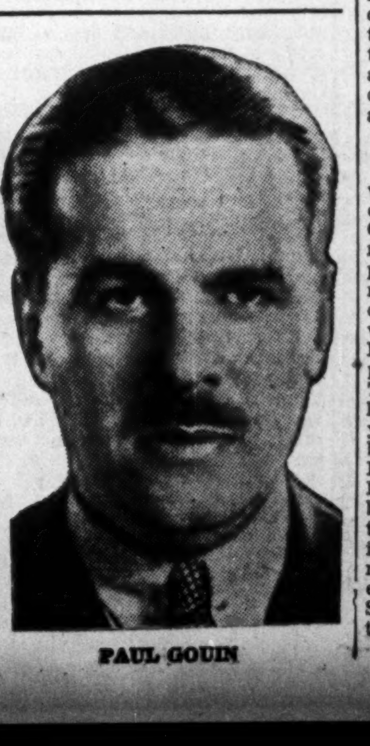
Is Real Battle

The comic aspects of the legislative scenes cannot, however, hide the fact that a grim battle for control of the province is going on. Hon. L. A. Taschereau, member since 1900 and premier since 1920 has the first real opposition he has encountered. Always previously he impressed the province and the legislature as the man who was bound to win and who should win. Now he is being pictured as head of a "Family Compact," as a tyrant with the words but not the spirit of democracy and as the king pin of a vicious system of patronage, nepotism, and "Tory" reactionism.

MAURICE L. DUPLESSIS



PREMIER TASCHEREAU



PAUL GOUIN

Premier Taschereau seems to like the fight. The slender 70-year-old leader is still admired personally by all members of the House. He is conducting the defence of his régime with fire and skill. Apparently there is no issue so small that he is not fully informed on it when it comes before the House, and he has turned the tables repeatedly on his tormentors. So far his supporters are as enthusiastic in their defence of government policy and performance as are the attackers.

Government's Social Programme

On another page is an interview with Hon. T. D. Bouchard, Minister of Municipal Affairs, Trade and Commerce. This man has been for many years the vigorous and independent champion of ideas of economic development and of handling of relief which are quite in harmony with much that is in the platform of L'Action Liberale Nationale. He is part of the answer of Premier Taschereau to those who speak of his régime as reactionary. Three years before the election in November, 1935, the premier asked Mr. Bouchard to enter his cabinet, but latter is understood to have refused because he could not get an undertaking that his policy would be put in effect. He has that undertaking now if the government majority is enough to make good the promise. Some of the L'Action Liberale Nationale members accuse the govern-

(Continued on page 14)

Quebec Would End Aid By Building Programme

Minister of Municipal Affairs Hopes to Keep Ruralites on Farms

TO SPEND MILLIONS

By STAFF REPORTER

QUEBEC CITY.—No more doles will be paid in Quebec if Hon. T. D. Bouchard, Minister of Municipal Affairs, Trade and Commerce in the Taschereau administration, has his way.

His plan, not yet accepted by the Quebec legislature, calls for the expenditure in 1936 of $40 millions for all kinds of Federal, provincial and municipal enterprises. Of this amount $20 millions will be ticketed solely for the needy unemployed and the remainder for materials and skilled labor.

Ottawa Helps

Quebec will not put up all the money. Hon. Mr. Bouchard reports that the federal government proposes to spend $15.5 millions in his province. Of the $10 millions set apart for waterways and bridges Quebec is likely to get $3 millions as its share. Ottawa also will place $1 million at the disposal of Quebec citizens in the course of its programme to place farm labor throughout Canada, $1 million to establish people on the land, $1.5 millions for roads and bridges and Quebec will get its share as well of the $26 millions the federal government will provide for ordinary relief purposes.

The Bouchard plans are intended to provide for unskilled workmen in all categories so as to cover the whole field. It is his hope as well that the additional activity thus created will in turn create much more activity among suppliers of materials and merchants.

Moreover Mr. Bouchard's plan provides for all sorts of inducements to city laborers familiar with farm work and to servants to return to the country. On the other hand he is strongly advocating Quebec put into force a plan already successful in Italy and Germany by which rural workers are refused permission to seek work in cities so long as there is extensive unemployment.

Maintaining Morale

In answer to The Financial Post Mr. Bouchard definitely places himself on record as believing that unemployment is a provincial more than a municipal concern. Mr. Bouchard believes it to be good common sense that when such large amounts have to be paid out for relief the province should get something tangible in return, and at the same time maintain the morale of citizens.

Hon. Mr. Bouchard suggests that no more be paid to those formerly on relief in connection with relief works than was paid in doles and yet that they get the regular rates of wages set forth in collective labor agreements in various industries and regions. He proposes to have two shifts of seven hours each on bridges, roads, and buildings during the summer. The wages paid will be at regular rates, but it will be paid those on relief over the whole year at the rate they formerly received. Thus supposing a man received on relief in 1935 $5 a week, or $260 a year, he will be allowed to earn that amount in three or four months of summer work but it will be paid in the old way.

Season is Unit of Work

The summer season will be the unit of work. The present relief recipient in that period can earn the whole amount. In the idle days of winter—or even if he has found some other employment — he will continue to get the money he earned in the summer. It will be his to do as he likes with and he himself will pay the grocer and the landlord. The dole recipient can, if he desires, assign part of his pay to the landlord to make sure he will be housed.

Dealing With Unemployables

But there are unemployable people on relief, The Financial Post reminded Mr. Bouchard. The latter did not need to be reminded as he has had a study made of the unemployable situation in Montreal. He showed statistics indicating that in Montreal the total number of unemployable heads of families was 1,765. He had ascertained that of this total there were 1,307 who were 70 years of age or more. Thus the old age pensions plan being introduced by the Quebec government at the present session will automatically take care of most of the unemployables. In other words, the charity now going to these persons will go to them in future as a right under the old-age pensions plan. The remaining unemployables will be looked after as they always have been in good times and bad.

The Bouchard plan will apply to 77,000 employable heads of families and 10,948 single workers. A number of these may disappear from relief lists under the system.

Can Work Anywhere

A man does not have to reside in a municipality where works are being executed to participate in an unemployment enterprise of this character. The municipality from which he comes will be expected to provide the money it would have paid to him in relief and though it does not get the advantage of the works in progress, that will be adjusted as time goes on when it in turn can get the benefit of work by laborers from other municipalities.

"What kind of employment enterprises have you in mind?" The Financial Post asked.

"There will be, of course, the usual public and semi-public works, but we think of encouraging the private employer to do much more than he has done to employ the excess workers. New roads will be opened and others improved. There is a vast field in works to conserve and improve the health of municipalities. Drainage systems, parks, street cleaning, snow removal, flood control, aqeducts, dredging of rivers, improvements to railway roadbeds.

"We will supply part of the labor for building or repairing private homes and pay for part of it.

Paying Farm Wages

"We will pay $10 a month to a man who will go on a farm and work there. The farmer will provide him with board and lodging. We want to do that as well for domestics. To be sure that a man does not fire other employees to get cheap labor we will see that he furnishes a sworn statement that the new man or woman is additional to those he employed in the previous year. Our aim is only to encourage the employment of more people, and we will have investigators to see that there is no fraud.

"One very useful way would be to follow the German plan of constructing high speed double auto roads. Straight routes between important centres would save time, gasoline and wear and tear for every motorist using them. They would save other roads by diverting traffic and would facilitate rapid transit of merchandise."

In 1935 Quebec spent $2 millions in direct relief in colonization districts. Here again Mr. Bouchard wants the province or somebody in it to get something back for the money. It may be paid for roads, and it may even pay the man for actual tillage of his own land, for clearing the bush or other useful work. But he is satisfied Canada or Quebec should no longer tolerate payments of money for nothing.

"The dole has cost in Quebec $104.9 millions since October, 1930," he said. "The province's direct loss was $39.5 millions, the federal government put up $33.8 millions and municipilities had to spend $31.6 millions with no direct return."

"Will there not be objection to the proposal to prevent rural inhabitants going to the city as an invasion of a citizen's rights?" Mr. Bouchard was asked.

Temporary Proposals

"All of these proposals are for temporary application. A man must always expect to have his liberty of action limited in certain directions when it runs counter to the general good. You might say that it would be enough to refuse relief to such men unless they had been living two or more years in the municipality. Our experience is that people come from the country even to municipalities where relief is refused to outsiders. What happens? They do not go on the dole, but they get work and other people are forced out of employment. It amounts to the same thing in the end so far as the municipality is concerned.

"Until the situation is righted we want to close the cities to rural workers. We can do that by passing a law that no one can work at manual labor in cities unless he gets a permit from the labor offices. He can get the permit if he comes from another city. He cannot get it if he comes from the farm. This law works in Germany and Italy. Therefore it can work here.

Dole Population Increases

"We have 24 cities where we pay more relief than there was paid in wages in the most prosperous years before the depression. Why, we found that the population of some of these cities increased 20 per cent under the dole. They could get more this way than by actually working in many cases. It is up to the municipalities to prevent their problem being made worse by the influx of rural workers. What is more, we expect to lessen municipal burdens by inducing those who know farm work to go back to the country."

Old-age Pensions

"Will old-age pensions add much to the provincial burden?" he was asked.

"Under the Ontario law the province pays 15 per cent, the municipalities 10 per cent and the federal government 75 per cent. In Quebec the municipalities will not be called on at all. The province will pay the whole 25 per cent.

"We estimate that there are 30,000 people in Quebec over 70 years of age. To pension them will cost approximately $600,000 a month or $7.2 millions a year. We will pay one-quarter of that or $1.8 millions yearly."

Plan Works in Ste. Hyacinthe

Hon. Mr. Bouchard was Mayor of Ste. Hyacinthe from 1917 to 1930. His defeat then was attributed to his resistance to the dole system. He was re-elected in 1932 and since then he has been applying successfully the system he now advocates to that city. That is why he is in his present job and not primarily because he is a Liberal, it is said. He has a private income and entered politics mainly as an outlet for his own ideas. He was offered his present portfolio more than three years ago but refused it then because he could not get assurance that his entire programme would be carried out.

Cut in Interest Effective June 1

Viewed as Stimulus to Business Activity and Employment

As anticipated, official announcement of a one-half of one per cent reduction in interest rates on savings deposits has been made, the change to be effective June 1, 1936. From that date 1½ per cent will be paid on personal savings and one-half of one per cent will be paid on corporation savings acounts.

S. H. Logan, president of the Canadian Bankers' Association, stated that the step was made necessary by the low interest yields on Dominion treasury bills and other government securities, continued lack of demand for commercial loans and increasing burden of taxation. He said in part: "This further reduction in bank deposit rates should tend to increase the supply of funds available for long-term investments, should facilitate advantageous refunding at maturity of government and municipal bonds, and should stimulate the building and capital goods industries in which the depression has been very severe. Such a development is essential to a further increase in business activity and employment."

Saskatchewan's Fish

The market value of the fish catch in Saskatchewan has been rising since 1932, according to a report of the Department of Natural Resources.

MUNICIPAL HONOR ROLL

CITY OF RED DEER, ALTA.

Having operated on a pay-as-you-go policy since 1926, the city of Red Deer, Alta., boasts one of the best financial records of municipalities in Canada.

Reduction in debenture debt, a surplus of revenue over expenditures, a credit balance in the bank and no new debentures issued have been recurring features of the city's financial statements in recent years.

Total debt of the city, exclusive of electric light debentures has been reduced by $412,261 since 1916, net debt at the end of 1935 amounting to only $43,832. Electric light debentures at the end of 1935 amounted to $58,447, but as this utility yields an annual net profit after all charges these debentures are not a charge upon the tax rate. Total debenture debt, including electric light debentures, was $128,254. In addition, there were $7,000 of treasury bills and $1,462 of accounts payable. Against this the city had cash in the bank of $34,437, which indicates that the city has more than paid its way.

While the city has improved its position, the assessed value of property and the tax rate have both declined. In 1924, the city's assessment was $1,576,995 and the tax rate 58 mills. Last year, the assessment was $1,381,883 and the tax rate 40 mills.

As regards tax collections the city has an excellent record, total arrears being only slightly in excess of 50 per cent of the levy. Collections of current taxes in 1935 amounted to 85.6 per cent of the levy, compared with 81.4 per cent in 1934.

What's What In Advertising

By TORY FLEMING
Editor, Canadian Advertising

American Can Co. is stepping into the field of consumer advertising with full pages in Maclean's, Canadian Home Journal and Le Samedi designed to sell products normally put in cans. Foods and paint have been featured so far, reference being made to the campaign for the former in this column several weeks ago. The paint campaign opens at the end of this month with one insertion in each of the three mediums. The full page is entirely devoted to telling the householder the advantages of painting, with the exception of the sponsor's signature. The consumer advertising is being actively merchandised to the trade. Copy is reproduced in two-page spreads in paint and hardware trade papers, with an introductory page telling dealers how to cash in on it.

* * *

P. J. Salter has been named president and general manager of the Vancouver Sun, succeeding Robert J. Cromie, whose death occurred recently. Robert Cromie Jr. becomes vice-president and secretary-treasurer.

* * *

The attitude of the Association of Canadian Advertisers toward the agency franchise regulations as amended by the Canadian Daily Newspapers Association is cloaked in silence for the moment. Officially judgment is being reserved until after a directors meeting at the end of the month. Individual A.C.A. members are equally canny about expressing opinions. It is well known that many had expected more extensive revision of the regulations along the lines suggested in the brief presented by the advertisers to the C.D.N.A. last December, so whether or not the dailies have succeeded in satisfying the A.C.A. is open to doubt.

* * *

Fletcher & Ellis will direct the advertising of Julius Kayser and Co., makers of hosiery and gloves, as from July 1, according to an announcement of their appointment as agents by that firm.

* * *

Lord & Thomas of Canada have been appointed as advertising agency by the Vi-Tone Co., Hamilton.

Canadian Coal Exports

Exports of Canadian coal during March rose 72.5 per cent to 40,782 tons, from export tonnage in March, 1935.

Quebec Government Heads for "Showdown"

(Continued from page 13)

What is behind the rise of L'Action Liberale Nationale the new force in Quebec politics? What are its aims? The answer will be found in an article on Page 3 of this issue headed "Out to Get Taschereau."

ment of stealing their programme in part.

The Financial Post is told that Mr. Bouchard was at one time regarded as a man who might belong to either the Taschereau ministry or to the L'Action Liberale Nationale. One L'Action Liberale Nationale member told The Financial Post that if Bouchard had swung his influence and force to them the present opposition would now be the government. It would have meant six more members, he claimed. But Bouchard did not. Yet he is an uncertain element in the situation and a powerful one because his record shows him to be original, independent and much more solicitous about his ideas being put into effect than about his personal position. It may be that the opposition programme may result in the Taschereau government eventually backing a social programme of a sort that would never have been expected of it some years ago.

Could Have Forestalled Opposition

The success of L'Action Liberale Nationale at the polls shows that Premier Taschereau misjudged the force of this particular movement. A few years ago he could have drawn into his ministry a few of its aggressive heads which then might have swung to his support. It is known that Paul Gouin, who is a poet and a philosopher, asked some years ago to be made provincial librarian. He believed he could do a good job there. He was not interested in politics as much as he was in books.

One story is that Premier Taschereau refused to give Gouin the job he sought so summarily that he got into the L'Action Liberale Nationale movement in revenge. The story told the writer, however, sounds more likely. Paul Gouin, The Financial Post is told by some of the adherents of the movement, is not in the ordinary sense of the word an ambitious man. Premier Taschereau, it is said, told him that a man of his name and ancestry should not be content with a civil service position but should get into politics. The premier's idea doubtless was that Paul Gouin would come into the arena as a supporter of the Taschereau government, just as his uncle, Hon. H. Mercier, is, and as Paul Gouin's older brother is, though the latter is not in parliament. At one time Hon. L. A. Taschereau was the right-hand man of Sir Lomer Gouin. The prospect held out was that Paul Gouin might some day be, as his father, a right-hand man of Premier Taschereau and possibly succeed him.

Turned in Two Ways

Paul Gouin did turn his mind to politics. He studied the situation of the province and the needs of its citizens and so followed the premier's advice to go into politics, but he chose the other side. That made the contest a hot and a bitter one. Each side accused the other of electoral corruption.

Up to the beginning of 1935 L'Action Liberale Nationale had had as part of its programme a plank to liberalize the platform of the Liberal party. It then dropped that plank and since then has been for reforms of all kinds, and has sought its adherents from all parties and from independents. It has drawn into its ranks some wild speakers but has also attracted a number of enthusiastic and thoughtful young men. Hon. L. A. Lapointe spoke for Premier Taschereau during the last electoral campaign but could not stem the tide. A number of English-speaking citizens have expressed sympathy with the general aims.

Believe in Money Ogre

Paul Gouin and his followers deny that they are socialists or are opposed to the capitalistic system. They state simply that they are patriots, placing the well-being of their countrymen and country first. They accept, however, the tradition of many western and radical Ontario speakers that there is in Montreal a St. James St. money ogre which runs Canada, and Quebec as part of Canada, for its own gain. They claim that, so far as a province can do it, they should co-operate with others like minded in Canada to decentralize industry. To do that, they believe money must be decentralized.

One sees Premier Taschereau walking the corridors, presiding over committees, sitting in parliament, always working, always thinking, always absorbed in his public duties. Members or ministers are always consulting him. Often he has a withdrawn expression as though he had pulled himself back into a mental shell which protects him from the animosities and interminable debates which are a part of his life, but it only needs some quick turn in a debate to make him grow inches taller and precipitate himself into the fray. His eyes literally flash with intelligence when he lifts them as a preliminary to taking part in a discussion. Those eyes command attention and he gets the floor. But he is not a dreamer like Paul Gouin.

A Live Leader

Neither is Maurice Duplessis a dreamer. He is intensely alive. From the time he rises until he goes to bed he is surrounded by his fellow workers. He reads everything bearing on work of the legislature, he studies every public document in detail and he is in the fight all the way and all the time. During this session he has made the public accounts committee his own special preserve. Item by item he has insisted on having officers of the various departments come before him. He has investigated the expenses of ministers and officers, and has uncovered a number of extravagant expense accounts and some striking instances of favoritism in purchases. He has spared none and especially has he singled out for his attentions Chas. Lanctot, assistant to the attorney-general, Premier Taschereau. He is all action, above medium height, spare, sinewy, quick-stepping.

The writer saw Maurice Duplessis come from the afternoon session of the Assembly to his rooms. He had three men with him and they were absorbed in their discussion still and walking quickly. That is characteristic. About the same time he saw Paul Gouin go to his rooms. He came alone. He reminds one of his famous father, though he is a tall man where his father was rather short. His nose is longer and larger and his features longer. But no one, looking at him, could mistake him for anything else than the son of his father.

One newspaper professed to have discovered evidence of a rift between Duplessis and Gouin. Usually they sit together and consult on what is happening. Duplessis acts. For a day Paul Gouin wandered about the chamber, talking to this and that member, and so the talk of discord got abroad. But at night the writer saw him at Duplessis's elbow as before.

Sees Wide Field Opening For Insurance Actuaries

The wide field for trained actuaries which is opening up not only in various branches of the insurance business, but also in many branches of government service, was stressed by J. G. Parker, actuary, Imperial Life, last week in his presidential address before the Actuarial Society of America at New York.

"It seems to me," said Mr. Parker, "that there is a distinct field of usefulness for the members of our profession in the service of our government, both federal and state governments in the United States and federal and provincial governments of Canada."

Sees Wide Field

He referred specifically to a score of activities now being carried on by the U.S. government in the field of social security, labor statistics, veterans administration, census, civil service commission, federal reserve board, and so forth, as opening a wide field for the trained actuary. He noted that at the present time Canadian government had two fellows, eight associates and ten students on their payroll, and that in Great Britain the staff of the government actuary under Sir Alfred Watson and G. S. W. Epps had 39 professional officers who were qualified actuaries.

Company Opportunities

In the life company field, Mr. Parker suggested that not only in the actuarial department, but in other branches of the business, the actuary was making a continually wider place for himself. "The accountancy department with the many problems of cost accounting is a fertile field. The agency executive of our company eagerly awaits the co-operation of trained actuaries, not to usurp mandatory powers over the agency department, but to cooperate in solving the vexed problems of agency management and remuneration which today confront the business of life insurance on this continent."

Mr. Parker published results of a study made to compare relative examination standings of the American Institute of Actuaries with the Actuarial Society of America. "My study," said Mr. Parker, "indicated quite conclusively that in the eight years which have been under observation the standards of examinations in both bodies have been practically identical." He noted that between 1933 and 1935 there had been a 10 per cent increase in the membership of the society.

Inspection of Salmon Under New Supervision

A recent copy of the Fishery News Bulletin, Ottawa, brings word of a change-over in canned salmon inspection in B. C., effective April 1. The work of inspection is now being carried on by a unit of the Federal Fishery Department known as Canned Salmon Inspection Laboratory. Work will be in charge of Dr. F. Charnley as chief chemist, hitherto of the staff of the Fisheries Experimental Station at Prince Rupert. He and two assistants will replace the previous Board of Canned Salmon Inspection.

Those engaged in the business are puzzled as to why such a change was necessary.

CANADA CEMENT CONCRETE

Now on the Press!

The new 1936 edition of The Financial Post SURVEY OF CORPORATE SECURITIES provides complete and up-to-date facts on 1,500 Canadian corporations whose securities are in the hands of the public, including those listed on Canadian Stock and Curb Exchanges and many which are unlisted.

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Agnew-Surpass

Do you consider Agnew-Surpass Shoe Stores 7 per cent preferred stock a conservative investment?

Agnew-Surpass has a stable earnings record. Only in 1933 were earnings short of preferred dividend requirements, when they amounted to $5.98 a share. In 1935, earnings were $12.31 a share. The company's record indicates that the preferred has been a satisfactory investment. It is "conservative" to the extent that there are no securities senior to the preferred.

A factor that may become important is that the preferred is convertible one share for three common. While this feature is of little value at the present time it might have considerable value should the company's earnings rise substantially.

Cockshutt or Massey

Assuming that farm purchasing power will show a marked increase sooner or later, which would you consider the best comparative investment, Massey-Harris common stock or Cockshutt Plow common?

You should remember, of course, that tariffs on farm implements have been reduced and the effect may be to make it more difficult for both companies to recoup their lost earning power. Both firms have shown signs of improvement.

Cockshutt Plow Co. has no securities outstanding, but the common stock although it has substantial bank loans. If the company's business comes back sufficiently to show profits instead of losses, the common shares would be the senior charge on earnings.

Massey-Harris common is junior to bonds and to preferred stock. Before the common could share in earnings, some adjustment would have to be made for large arrears of sinking fund on bonds and for five years' arrears of dividends on preferred shares. For this reason, Cockshutt common appears the more attractive gamble in agricultural recovery.

Tip Top Tailors

Do you consider Tip Top Tailors preferred stock a sound investment?

Tip Top Tailors earned nothing on the preferred in 1932, and the next lowest earnings were $6.24 a share in 1933. Earnings were $9.99 a share in 1935. The stock is convertible, one share of preferred for two common, and is callable at 110. While the conversion feature is not of immediate importance it may be of value as business improves. In view of the high yield, the preferred appears to have some merit when considered as one security in a diversified holding.

Traders Finance

Can you give me a report on Traders Finance Corp.? What is the preferred stock worth?

Traders Finance Corp. appears likely to have a very good year in 1936. Preferred dividends and interest on the income funding rights should be covered by a comfortable margin. Dividend requirements on the preferred, and interest on the funding rights, total approximately $150,000. In 1935, earnings were approximately 50 per cent above a full-year's charges on the shares. This year it seems likely there will be a considerable increase in the excess of earnings over dividend and interest requirements.

The market for the preferred shares is rather inactive, because offerings are somewhat scarce. Including income funding rights, the approximate bid for class "A" preferred shares is about 83, and for class "B" preferred shares about 85.

The income funding rights were issued to shareholders in lieu of arrears of dividends, the funding rights on each preferred share carrying income of $1 per annum. The rights are included with the preferred shares in the above quotations. It is difficult to say at what price you could buy shares.

Canadian Vickers

What is your view of Canadian Vickers bonds?

Canadian Vickers has not been earning its bond interest, even before depreciation, and has not covered depreciation at all for several years. There is security in the pledge of the annual subsidy of $150,000 from the Dominion, but the bonds cannot be considered of conservative character.

Cons. Sand & Gravel

Can you give me a report on earnings of Consolidated Sand & Gravel? I hold some preferred shares and wonder whether it would be better to sell if there is no prospect of a dividend in the near future. What is the outlook for the company and what could I get for the stock?

Report of Consolidated Sand & Gravel Ltd., for the year ended March 31, 1936, will not appear for a week or two, and may show some decline of earnings. The liquid position, however, remains good. Net earnings were $55,000 in the 1934-35 year, compared with $15,400 in 1933-34. After depreciation of $56,000 and other charges, there was a loss of $2,600 shown in last year's report, compared with a loss of $40,000 in the preceding year.

Charging of depreciation does not actually reduce the company's funds, and, in fact, it was able to redeem $88,000 par value of preferred stock in the 1934-35 year. At that time the preferred was selling at $20 to $25 a share, but recent transactions have been at about $35 a share and you might be able to sell at that approximate price.

There are prospects for improved business for the company as and when the building and construction trades revive. Meanwhile, if the company's earnings and liquid position are such as to allow continued purchase of shares for cancellation, the effect may be to improve the price. There appears to be no probability of an early dividend.

Zimmerknit Bonds

I hold some Zimmerknit Co. 6 per cent second mortgage bonds. Would you advise me to sell these?

Interest on Zimmerknit Co. second mortgage bonds was earned 1.8 times after depreciation in both 1935 and 1934, and 2.5 times in 1933. In spite of tariff uncertainty, this showing may warrant retention of the bonds as a minor holding of your portfolio because it would be difficult to obtain as high a yield at the present time. Since the first mortgage issue amounts to only $250,000 the bonds appear to be well secured, but the company's past record of earnings is not unblemished.

Union Gas Co.

Could you give me a brief report on Union Gas Co. common stock?

Union Gas Co. of Canada is understood to have increased its earnings to about $600,000 during the year ended March 31, 1936. After bond interest of $190,000, this is equivalent to about 60 cents a share on the common stock, and represents an increase of approximately $200,000 over the comparative figure of the previous year. Its common stock is now regarded as being on a regular basis, paying 10 cents a share quarterly. The company has improved its position materially by paying off its bank indebtedness and replacing it by long term bonds at a lower rate of interest. The main reason for improvement in earnings is the turning into mains of London of natural gas on Oct. 1, 1935. Sale of heating appliances has gained, and this means larger consumption of natural gas in that area. Prospects of the company are regarded as good.

E. L. Ruddy Co.

What do you think of E. L. Ruddy Co. 6½ per cent first mortgage bonds? Would you advise liquidation at the present time?

E. L. Ruddy Co. earned bond interest 1.3 times after depreciation in 1935, compared with 1.0 times in 1934. In view of the company's ability to pay throughout the depression and the evidence of recovery in earnings, the bonds are not without attraction. It would be difficult to obtain as high a yield by liquidating and re-investing at the present time.

Rackets

"Export" Advertising

DAMAGE to good will existing between businessmen in Canada and Great Britain is resulting from activities of advertising racketeers operating in the guise of export trade promoters in England.

Representatives of "shadow" organizations without standing, resources, or a legitimate purpose, are calling upon British manufacturers to get the latter to advertise in brochures supposedly circulating among Canadian buying houses and chambers of commerce.

An appeal is made to the prospective advertiser that his advertisement, appearing in "selected media" will be brought to the attention of responsible merchants and trade organizations in the Dominion. Nothing of the kind occurs, however, and the result of the racket is wastage of money by British exporters and creation of ill will through a total absence of results.

* * *

Trade Papers Hurt

FURTHER detrimental results are seen through possible exclusion of responsible Canadian trade papers from British export advertisers' budgets after the exporters have been victimized by pamphlet racketeers. Established trade papers, anxious to develop British trade with Canada, are exerting every effort to combat the new racket.

Commenting on the situation, Charles W. Stokes, British correspondent of the magazine "Marketing," reports that officials of the Canadian Chamber of Commerce in London are active in educating British exporters to the danger of advertising in "racketeer" publications which may impair rather than enhance their own prestige.

The Woman Investor

A Share in Recovery

WHAT field offers the woman investor the most favorable opportunities for reasonably assured income over the next few years?

If risks are eliminated as far as possible, the choice narrows down to insurance, government annuities or Dominion government bonds, but in none of these is there a particularly attractive possibility for sharing in the increased earnings of business enterprises which may accompany a further expansion in business volume and income.

Insurance is the nearest approach to the answer, because insurance companies hold large amounts of industrial securities which may augment the income of insurance companies over the near term.

But if a more direct participation in future earnings of Canadian industries and business is sought, the woman investor must assume a risk in proportion to the possible advantages. Her field of investment opportunity, under the circumstances, lies in first grade industrial securities representing companies which have a reasonable chance of sharing in the benefits of further economic recovery.

Even further segregation is possible since such securities may be limited to those with proved earning power, a record of reasonable price stability and marketability, and representative of basic goods or services which exist in good times or bad. Other securities may be eliminated.

* * *

Selecting Securities

IF THIS is done, with an eye to the possibilities of such companies sharing in a continuance of the recovery cycle, such groups as food, utility and merchandising companies immediately come into the focus of investment interest. To select them on the basis of current dividend yields, earnings records before, during and since 1929, calibre of management, and the outlook for individual industries over the near term, is not difficult.

There are scores of common stocks, as well as preferred issues which conform in most respects to such a standard of investment measurement suitable for the conservative woman investor.

A composite group would include Loblaw Groceterias A, now yielding around five per cent, Laura Secord common, with its earnings far in excess of dividend payments before, during and since the depression period, Bell Telephone of Canada with its outstanding position among utilities, and many others with proved background and an established basis on which they may secure a full share of benefits from continued economic recovery in Canada.

STOCKS LISTED AND UNLISTED BONDS
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Loblaw Sales Are Mounting

Indications Point to Earnings in Excess of 1935

Continued gains in sales and net profits in the final weeks of Loblaw Groceterias fiscal year indicate that the company's operating results may compare favorably with those of last year.

Expansion in the number of stores operated by the company has been in progress for some time as well as modernization of existing stores, and further increases are indicated during the remaining months of 1936.

A gain of 7.37 per cent in sales and a 1.66 per cent gain in net profits from the company's operations in the four weeks ending May 2, brings the gain in sales for the first forty-eight weeks of the fiscal year to 4.79 per cent over the corresponding period of 1935.

Net profits for same period are 2.96 per cent higher, indicating that net profits for the entire year may exceed the $1.08 per share earned on the combined A and B stocks in the fiscal year ended May 31, 1935.

The next four weeks earnings statement will cover the full year and include special profits which are calculated on a yearly basis.

	1936	1935	Incr.
4 wks. to May 2:	$	$	%
Sales	1,331,877	1,240,404	7.37
Net profits	62,703	61,678	1.66
48 wks. to May 2:			
Sales	14,988,115	14,302,632	4.79
Net profits	751,860	730,257	2.96

Canadian Wheat Grindings

A total of 5,322,155 bushels of Canadian wheat was ground in Canadian mills during March, compared with 4,675,022 bushels for the corresponding month of 1935.

Security Analysis

Burns & Co.

First Mortgage Bonds in Two Equal Sections — Mandatory Interest Now 5 Per Cent — Earnings Cover 5 Per Cent on All Outstanding Bonds

Apparently there is some confusion in the minds of investors about the capitalization of Burns & Co., Calgary meat packing firm. One reader requests a brief analysis, particularly to clarify the position of the first mortgage bonds.

Burns & Co., it will be recalled, was reorganized in 1934, after disastrous depression experience. Consequently the capitalization now appears as follows:

Capitalization as at March 31, 1935

5% first mortgage bonds	$3,358,450
Income first mortgage bonds	3,358,450

Capital stock: 33,584½ class A pref. shares; 109,554 class B common shares; 5 management shares; all of no par value.

The first mortgage bond issue is in two equal sections. The first section is of 5 per cent bonds carrying ordinary fixed interest coupons and currently quoted at about 83.

Income Bonds

The second section of the first mortgage is in the form of "income" bonds. Interest on these is non-cumulative up to Dec. 31, 1938, payable, if earned, at 5 per cent.

From Jan. 1, 1939, the interest on these bonds becomes fixed at 5 per cent. Then the first mortgage will consist of the combined bonds, all bearing the fixed 5 per cent rate.

One of the provisions of the reorganization was that net current assets must be $2¾ millions in 1936 and 1937 before the full 5 per cent can be paid on the income bonds. At the end of 1935, they were $2,821,000, so this does not appear a barrier to payment of the full income interest.

Interest Covered

In 1935, after income taxes, depreciation and other charges, net available for bond interest was $521,000. Full interest on the fixed 5 per cent bonds and on the "income" bonds at 5 per cent would amount to some $336,000. Hence, if the 1935 earnings rate is maintained the full charges could be paid, and still leave a surplus to increase net current assets.

The company is required to determine earnings after the close of the year, and the full 5 per cent on the income bonds for 1936 will become payable, if earned, on April 1, 1937. Because of the greater risk in the "income" bonds, they are quoted around 70.

Class "A" Preferred

In this year's report, 205 of the class "A" preferred shares are shown as redeemed, reducing the number outstanding to 33,584½ shares. These shares are redeemable at such prices as directors may approve, and can be purchased for about $10 each. The shares carry a non-cumulative preference dividend of $1 a share, which, however, cannot be paid unless net current assets are $3.5 millions. In addition, the "A" shares participate equally, share for share, with the class "B" in any additional dividends.

If the company's earnings are maintained, it is probable that efforts will be made to redeem the "A" preferred. An alternative possibility would be dividend payments. Either event would be likely to strengthen the shares.

It is somewhat early in the current year to obtain a definite indication of the trend of earnings for all of 1936. However, there could be a decline of some $175,000, or nearly 20 per cent, in operating profit without interfering with payment of 5 per cent on the income bonds.

Noranda Power Co. Deposits Plans for Plant

From Our Own Correspondent

MONTREAL. — Noranda Power Co. has deposited with Minister of Public Works at Ottawa plans for the power development which it proposes to carry out in the upper Ottawa River at Rapids No. 7. At the end of this month, unless some objection has been raised meanwhile, the company will go ahead with the work.

Canada Vinegars Reports Operations Successful

Canada Vinegars reports that manufacturing operations for the first six months of its current fiscal year have been successful and that sales have been maintained on about the same basis as a year ago. Since profits are mostly realized in the last six months of the company's year, comparison on this point is not possible at present.

Province of Nova Scotia
3¼% Twenty-Year Debentures
Price: 99.50 and interest, to yield 3.28%
These Debentures are a direct obligation of the Province of Nova Scotia and are a charge upon all revenue, monies and funds of the Province.
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TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

Saint John Harbor Reports Better Season

From Our Own Correspondent

MONTREAL. — Saint John Harbor handled 165,413 tons of cargo during April, compared with 170,531 tons for the same month last year. The small decline is due to a drop of about 6,000 tons in exports, imports having gained about 1,000 tons.

For the five months ended April, 1936, cargo tonnage amounted to 1,118,240 tons, an increase of nearly 200,000 tons over that for the same period a year ago. Exports increased 174,000 tons and imports about 18,000 tons.

Brompton Capital Cut Covered by Letters Patent

From Our Own Correspondent

MONTREAL. — Supplementary letters patent have been issued to Brompton Pulp and Paper Co. covering a reduction in the value of the capital stock of $15,025,000 to $7,525,000. The difference has been lost or is no longer represented by available assets.

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THE 1936 FORD V-8 FORDOR TOURING SEDAN
"WATCH THE FORDS GO BY"
BE AS FOOT-LOOSE as you like this summer . . . go as you please in a Ford V-8. Whether you streak away on lengthy trips or amble along with many stop-overs—you have the spacious comfort of a fine-quality car and the positive economy that has gratified the owners of more than two million Ford V-8s. The V-8 engine—available in no other car under $2500—is responsible for these modern features. It is short and compact, and is located in a forward position to allow more passenger room. Six grown persons ride comfortably in Ford V-8 Sedan body types.
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Ford Has All These Quality-car Features—No Other Full-sized Low-priced Car Has Any of Them
1. V-type 8-cylinder engine — gives smooth power with economy.
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Symphony Orchestra and celebrated guest soloists, 9 o'clock (E. D. S. T.).
FRED WARING AND HIS PENNSYLVANIANS, 9:30 Tuesday evening (E. D. S. T.). Columbia System.
FORD V-8 FOR 1936
$30 A MONTH now buys a 1936 Ford V-8 passenger car

18 Companies Place Quebec Sales Higher

Life Insurance in Force at Year End Now $1,730 Millions

COMPANY ANALYSIS

Although total new insurance issued in Quebec province in 1935 declined from the previous figure by three per cent. No less than 18 companies reported increased business in that province last year according to figures prepared by the provincial insurance department for The Financial Post.

In respect of business in force at the end of the year, all companies reporting showed a total volume of business of $1,730 millions which was an increase of about $4 millions compared with corresponding figures last year. Gains in business in force during the year were shown by 24 companies.

Confederation's Gain

Analysis of new business issued shows one of the largest gains to have been made by Confederation Life which reported new business issued in 1935 of $7.8 millions compared with $3.6 millions in 1934. North American Life issued over $5.5 millions compared with $3.7 millions in 1934 while another very substantial increase was that of Sauvegarde which had a total of $7.2 millions compared with $3.3 millions the previous year. Industrial Life increased from $3 to $5 millions.

Other companies to show gains include: Continental, Crown, Dominion of Canada General, Excelsior London & Scottish, Montreal, National, Northern, Phoenix, Prudential of Eng., Sovereign, Standard, Travelers, Mutual of Canada.

Business in Force

Gains in insurance in force correspond very largely with increases in new business issued although London Life which wrote a smaller volume of new business reports a considerable increase in business in force from $47.9 millions to $54 millions.

Other companies to increase business in force but which did not show a gain in new business issued are: Dominion, Monarch, Royal, Eaton Life, Ancient Foresters, Metropolitan, Mutual Relief.

New figures for business issued and in force in Quebec province follow:

Quebec Province Life Insurance Figures 1935

	Amount new issued $	Amount in force end of 1935 $
Aetna	779,348	15,961,041
Canada	5,401,204	78,894,968
Com'l. Union	......	248,586
Confederation	7,804,956	42,303,677
Continental	1,005,755	3,793,645
Crown	6,042,796	31,769,275
Dominion	4,661,934	19,658,102
Dom. of C. Gen.	244,661	1,189,990
Empire	907,413	2,513,028
Equitable	......	4,291,933
Excelsior	4,798,713	17,833,598
Great-West	6,938,531	105,956,923
Gresham	9,318	1,054,927
Imperial	4,565,659	54,953,243
Industrial	5,033,447	9,549,564
La Prevoyance	43,443	830,557
La Sauvegarde	7,209,703	22,902,327
Liverpool, L. & G.	3,426	104,600
London & Scottish	1,379,139	4,929,317
London	16,712,119	54,058,798
Manufacturers	5,718,116	58,777,983
Monarch	1,384,168	4,649,182
Montreal	4,328,334	18,969,130
Mutual L. & C.	3,961,206	19,146,232
National	3,290,207	16,719,603
North British & M.	......	296,407
Northern	1,284,744	9,766,881
Occidental	63,500	203,927
Ont. Equitable	39,526	1,500,294
Phoenix	124,330	2,121,802
Prud. of Eng.	2,443,537	6,811,365
Royal	1,117,944	11,799,880
Sovereign	1,828,160	3,185,803
Sun	17,752,279	278,468,930
T. Eaton	611,717	3,479,224
Travelers	2,042,900	39,811,235
Mutuals:		
Anc. Foresters	10,000	170,166
Metropolitan	59,541,416	430,888,236
Mutual of N. Y.	......	24,690,201
Mutual Relief	872,666	3,314,081
New York	1,999,605	59,615,573
Prud. of Amer.	20,010,248	141,524,318
Royal Guardians	77,560	1,031,110
Standard	1,401,591	10,673,560
Union Mutual	12,325	3,777,718
Others:		
Mutual of Can.	8,780,924	83,232,510
North American	5,586,035	22,793,207
Total, 1935	217,844,603	1,730,216,659
1934	224,778,045	1,726,305,449

Promotions Announced By Metropolitan Life

The following promotions and changes in the field are announced by the Canadian head office of the Metropolitan Life: Robert E. Foster, agent at Vancouver, (B.C.) district, is appointed assistant manager; Peter Kolla, agent at Fort Garry (Winnipeg) district, appointed assistant manager; Rene Homier, assistant manager at the Joliette detached section of the St. Jerome, P.Q. district, is transferred to the Sherbrooke district; Antonio Casgrain, agent at McGill (Montreal) district, appointed assistant manager; Simon Tremblay, field clerk at Laurier (Quebec) district, appointed assistant manager; Aurele Vincent, assistant manager at the Champlain (Montreal) district, appointed assistant manager at Ottawa district; Henri Desjardins, agent at the Papineau (Montreal) district, appointed assistant manager at Champlain (Montreal) district; Raphael Laverdure, agency sales instructor at Canadian Territory, is appointed assistant manager at the Trois Rivieres district; Hermenégilde De Montigny, assistant manager at Rivière du Loup district, is transferred to the Joliette detached section of the St. Jerome district; Elphege Charest, agent at the Rivière du Loup district appointed assistant manager.

Insurance Inklings

G. A. LITTLE has been appointed provincial manager in Nova Scotia for Prudential Assurance Co. of England. The company has been writing fire and casualty lines in the province for many years and is now extending its life branch organization into the province.

* * *

The Canadian Board of Marine Underwriters re-elected C. G. Ross president for 1936-37 at the annual meeting recently in the Board of Trade Building. Other officers elected were: Vice-president, C. E. Bickerdike and secretary-treasurer, H. C. Beatty.

* * *

GEORGE WEIR, formerly manager of the London Guarantee and Accident Co., was recently honored at a dinner and presentation on the occasion of his retirement after 28 years of service with the company.

SUN PROMOTION

C. E. Reid, superintendent of agencies, Sun Life of Canada, who has been placed in charge of the newly created Agency Service Department which will co-ordinate the company's field service and group departments.

Mr. Reid joined Sun Life in 1921 and in 1924 was appointed inspector of agencies at head office. In 1926 he was supervisor (and subsequently superintendent) of the company's group department.

Health Scheme Not Yet Ready

Three or Four Months Needed to Get Machinery in Shape

From Our Own Correspondent

VANCOUVER.—Although a proclamation declaring the provincial health insurance act in force has been issued at Victoria, the measure will not become really effective until next year.

The proclamation merely paves the way for appointment of the commission that is to administer the act. Hon. G. M. Weir, who made his successful one-man fight in the legislature for adoption of health insurance, says three or four months will be required to whip the preliminary machinery into running order, although collection of levies will possibly be begun by October or November, next.

Commission Named Soon

The health insurance commission, which may consist of from three to five members with a full-time chairman, will be appointed shortly. To this commission will fall most of the work of setting up the organization, subject to government approval. Provincial medical officers to act as the commission's experts will also be named shortly.

These officials will then go forward with the details of the scheme, arranging for collection of assessments.

Some Exemptions

Christian Scientists and certain groups in private industrial insurance schemes are exempt from the operation of the scheme. Others not in the category mentioned may enter the plan if they so desire.

Under the programme as adopted by the legislature, the wage earners with incomes of $1,800 or less who are to receive insurance benefits will pay a levy of two per cent on their cheques and their employers will contribute one per cent to the insurance fund. In return for this the insured and their wives and children and dependents, will receive medical services, hospital ward care up to six weeks, a proportion of drug costs and diagnostic aids.

Plan Insurance Programme For Special Library Assoc.

A wide range of speakers and topics is planned for the meeting of the insurance section of the Special Libraries Association to be held in Montreal June 16 to 19.

Miss M. J. Henderson, investment librarian, Sun Life of Canada, is chairman of the meeting, and Miss Beatrice Howell of the Insurance Institute of Montreal is the Montreal representative of the insurance group.

Speakers include C. D. Rutherford, associate actuary, Sun Life, on "Social Insurance"; B. A. Dugal, Quebec, superintendent of insurance, James R. Wright and Arthur P. Earle.

Life Sales Up In Most Areas

Saskatchewan Has Largest Percentage Gain in April

Most parts of Canada and Newfoundland contributed to the gain of nearly 4.5 per cent in life insurance sales during April. Total sales were $30.1 millions according to Sales Research figures, compared with $31.6 millions the previous month and $28.9 millions in April, 1935.

The figures are exclusive of annuities and pension bond sales and are based on returns from 19 companies having 90 per cent of total business in force in Canada and Newfoundland.

Most Provinces Gain

All the prairie provinces showed increases, Saskatchewan of 18 per cent, Manitoba 12 per cent, and Alberta over four per cent. Ontario was up over seven per cent, while Quebec gained one per cent. In the Maritimes, New Brunswick showed an increase of over 14½ per cent, but sales in Nova Scotia and Prince Edward Island were substantially lower than a year ago. British Columbia also showed a decrease. In Newfoundland, sales showed an improvement of over 11 per cent.

Comparative April figures for U. S. sales show ordinary life sales in that country to have been 1.2 per cent below April, 1935. Group business declined .8 per cent and industrial business rose 7.1 per cent. Total business of all companies rose 1.4 per cent, although for the first four months of the year there was a decrease of 5.9 per cent.

Comparative figures for Canada and Newfoundland follow:

ORDINARY LIFE SALES*

(a) Sales by Months, 1933-1936

($ 000 omitted)

	1933	1934	1935	1936
Jan.	28,928	27,728	32,988	34,221
Feb.	28,095	29,036	28,716	30,474
March	31,768	32,564	31,416	31,664
April	30,501	33,296	28,900	30,147
May	31,916	33,184	37,423	.....
June	34,114	32,277	32,112	.....
July	32,165	33,951	32,155	.....
Aug.	29,749	26,659	26,854	.....
Sept.	27,443	26,123	26,696	.....
Oct.	33,434	31,342	30,416	.....
Nov.	36,061	35,863	35,158	.....
Dec.	36,967	37,691	36,550	.....

(b) Sales by Provinces (includ. Nfld.)

($ 000 omitted)

	April 1936	April 1935	March 1936
British Columbia	2,227	2,422	2,413
Alberta	1,195	1,145	1,322
Saskatchewan	925	784	989
Manitoba	1,554	1,383	1,814
Ontario	13,542	12,646	14,251
Quebec	8,606	8,520	8,808
New Brunswick	765	668	778
Nova Scotia	973	1,080	1,043
Prince Ed. Island	81	101	96
Newfoundland	279	251	150

*As compiled by Sales Research Bureau of Hartford from returns of 19 companies which at Jan. 1, 1936 had 90 per cent of total business in force in Canada and Newfoundland.

Sterling Insurance Scope Is Widened

Quebec Legislation Permits Risks Other Than Fire

Provisions for changing the name of Sterling Fire Insurance Co. to Sterling Insurance Co., and enlargement of its operations to include insurance and reinsurance of risks other than fire, are contained in a bill recently passed by the Quebec legislature.

In addition to its fire insurance business, the company is now authorized to engage in insurance against property damage, including falling aircraft, property damage, including plate glass, weather, sprinkler, boiler, explosion, navigation, industrial insurance other than life insurance, accident and sickness, theft, forgery, credit, profits and rent, fidelity, legal liability and riots or uprisings.

The company may also represent any other Quebec-incorporated, Dominion-licensed insurance company, or foreign company licensed in Canada in the same classes of risks the company is authorized to write, provided that such companies hold a Quebec license.

Further provision is made for division of Sterling Fire's shares into fractions, by changing each $100 share for 20 shares having a nominal value of $5, provided that the change is approved by at least two-thirds of the shareholders.

Railroad Trainmen Get Ottawa Insurance License

Federal insurance department at Ottawa has licensed the Brotherhood of Railroad Trainmen (Insurance Department) to transact in Canada the business of life insurance, disability insurance and sickness insurance to the extent set forth in the organization articles of incorporation.

A. J. Kelly of Ottawa has been appointed the company's chief agent in Canada.

Constitution Adopted By Underwriters' Ass'n

Powers of Provincial Managers to be Extended

Adoption of a constitution was the chief item of business effected at the Canadian Underwriters' Association meeting at Lake Placid last week.

Although the merger of the three tariff bodies in Ontario and Quebec was effected last November, the matter of a constitution was deferred until the annual meeting and was then given a further hoist to the last week's special gathering.

Apart from acceptance of the constitution, the most important development was consideration of means whereby operations of the association could be carried on more expeditiously. As a matter of internal economy, steps are being taken to prevent the organization becoming too unwieldy. To this end, managers of the Toronto and Montreal offices will have greater authority to deal with problems directly, without consultation with the various committees.

Objects of Association

As defined in the constitution, objects of the association are to promote a high ethical standard in the insurance field, to develop public confidence and respect, to support sound principles and to correct principles and maintain security of the business. Included under these general aims are such purposes as making and maintenance of rates, regulation of compensation and of agency appointments and prevention of rebating.

Apparently an outgrowth of the Goad plan action, the association lists as one of its purposes "restricting to the use and advantage of the members only, the benefits to be derived from the work done, information supplied and works issued to members and their agents to the end that such benefits and advantages shall not accrue to those who do not co-operate to secure stability, equity and economy in the conduct of the business and who may seek to procure advantages intended to be secured to members only without contributing to the expense of membership or assuming the responsibility thereof." Companies withdrawing from the association for any reason must return all rating material, maps and plans, etc.

Non-Member Dealings Banned

Non-intercourse is definitely dealt with. No member, its representative or agent is to place any class of insurance coming under the jurisdiction of the association with, or accept any such insurance from, any non-member company or agency. The only instance in which re-insurance may be accepted from a non-member is in the case of a company retiring from the field and re-insuring its entire business.

Local agents' associations may be formed in affiliation with the Canadian Underwriters' Association where this appears advisable to the council. Where this is done, members cannot accept business from non-member agents. If an agent refuses to join the local association, all C. U. A. members will withdraw from his agency.

While membership is open to those companies which conform to the rules of the association, it precludes companies, otherwise eligible, which are affiliated with or controlled by a non-member company or group.

As the association is affiliated with and under the jurisdiction of the Dominion Board of Insurance Underwriters, members of the association must, of course, be members of the Dominion Board. But, in addition, they must hold membership in every other underwriters' association which is affiliated with the Dominion Board in the territory in which the member transacts business.

Equal Privileges

All members have equal rights and privileges. Each member has one vote; but in the case of affiliates and groups, the parent organization has two votes. The association is to be carried on without "pecuniary gain" to its members, any profits which may be made will be used in the promotion of its work.

Expenses of the association will be met by a pro rata assessment on the three branches, fire, casualty and automobile. This will be levied in the proportion their net premium income bears to the aggregate net premiums of the branches. The expenses of the individual branches and of the sprinklered risk department will be met by pro rata charges on net premium income of the respective branches and the sprinklered risk department for the previous year in connection with the classes of insurance coming under their jurisdiction.

Rates and rules of the association are mandatory. All rates, whether schedule or otherwise, as well as tariff rules and regulations and policy forms are binding with the same force and effect as the by-laws. In special cases, the secretary of the association is empowered to set rates.

For infraction of rules, definite sanctions are laid down. In the fire branch, any member who directly, or indirectly through an agent, accepts or renews insurance at less than tariff rates, or allows a rebate, must cancel the insurance, and both the company and agent will not be permitted to accept or place insurance on that property with any member of the association for three months from the date of cancellation.

The same provision applies to the casualty and automobile branches, but these have alternative penalties. The guilty company may be required to re-insure with the member who makes the complaint the full amount of the coverage at full tariff rates. Or, it may be required to pay the full commission to the complainant company.

Executive Committees

Each of the three branches has an executive committee comprising a chairman, a vice-chairman and 12 members. These are appointed for a two year term, with six retiring annually. Monthly meetings of these committees are held alternately in Toronto and Montreal.

There are three standing committees: Finance and office management, which handles routine office affairs and accounts; legislation; and public relations. Although the latter committee is slated to handle publicity, it appears doubtful if the association will depart from its accepted course of considering that all matters in connection with the association are for the sole consumption of its members. On occasion this attitude has worked to the detriment of the association and has been the cause of considerable confusion.

Excelsior Life Has Record Week

Excelsior Life Insurance Co. made company history recently by rolling up a record total of $1,771,156 of new business — the largest single week's business in the company's 46 years of operation.

The occasion was a private "life insurance week" staged by the company in conjunction with a similar celebration in the United States. Canadian companies decided not to observe life insurance week this year, but Excelsior Life seized the opportunity and staged its own campaign from May 11 to 16.

The aim for the week was $1,250,000 of business, but the company's agency force responded with a total more than 40 per cent greater than the objective.

The Independent Order of Foresters

Monthly Income During Disability

Certificate Plan B: Issued by the Society affords outstanding protection. It provides an Old Age Benefit, payable in one sum, for the full amount of the Certificate, on the 60th birthday, or, payment in the event of death.

In addition, the Certificate provides a generous Disability Benefit of Ten Dollars a month, for each $1000 of Protection carried. Payments of such benefit are not a charge against the Certificate when it becomes a claim, either as a result of death or old age.

The Certificate contains the usual automatic non-forfeiture privileges. Double Indemnity may be secured for the payment of a nominal sum.

FRANK E. HAND, *Supreme Chief Ranger,* HEAD OFFICE, TEMPLE BUILDING, TORONTO, CAN.

LOOKS TO FUTURE

ARTHUR COON

Determined to set a new high mark of achievement for Irish Sweepstake winners, Arthur Coon, of Toronto, who captured a $150,000 "first" in this financial whirligig, got in touch with Dave Feetham (Sun Life, Toronto-Victoria agency) the other day and as a result he is assured of a monthly cheque from the company as long as he lives.

It is understood that Mr. Coon put about $55,000 of his winnings into the annuity, which is graduated so as to give him a very high monthly income from now until age 60, a smaller amount until age 70 and a further reduced sum from age 70 until death. The income until 60 is guaranteed.

Sells Insurance At Edge of Grave

It happened to an agent of the Penn Mutual Life, and the story is vouched for by the company.

The agent, on a "cold canvass," sold an insurance policy to a young man of 21. Through him, he sought additional business. The young man suggested his brother.

"Where can I find him?" asked the Penn agent.

"He's over at the cemetery, helping to dig a grave," was the reply.

Arriving at the cemetery, the life insurance man found two laborers hard at work. He explained his business, and the three were soon in earnest discussion, seated on the edge of the grave, their six legs dangling in it.

In this thoroughly compelling situation, unique but effective, the Penn agent added two more insurance applications to his day's total.

The agent delights in repeating the story of his "grave adventure."

Winnipeg Institute Has Large Insurance Library

The Insurance Institute of Winnipeg boasts "the largest and most representative insurance library in Canada." Begun with only a few hundred books about four years ago, it now houses 5,480 volumes and receives 89 different magazines and house organs. Last year the library was used by 3,671 readers, 1,849 books being borrowed.

Insurance Bill Passes Senate

When the Senate gave third reading recently to a bill to amend the Canadian and British Insurance Companies Act, the contentious amendment to limit the proportion of shareholders' profits on participating business to 5 per cent was missing.

In its place was a provision to ensure that provincial companies holding Dominion licenses, came under provisions similar to those applicable to federal incorporated companies, namely that participating policyholders in these companies participate in profits to the extent of at least 90 per cent.

The clause which was omitted would have increased this ratio to 95 per cent. The effect of the new amendment is simply to extend to provincially incorporated companies doing business under federal license, the existing provisions of the federal insurance Act.

Overdue Balances Record Decrease

Number of Agents is Also Slightly Lower

The number of insurance agents holding balances more than 90 days in arrears as reported by the Ontario department of insurance showed a slight decrease in the first quarter of 1936. As at March 31, 783 agents were reported, compared with 788 at the end of 1935 and 918 at the same date in 1935.

Overdue balances held by these agents indicate substantial shrinkage. The total of $216,157 compares very favorably with $255,631 at Dec. 31, 1935 and with $314,319 as at March 31, 1935. Of the tardy 783 agents, 732 have balances of less than $1,000 outstanding. Only 9 have balances of $3,000 or more. In the first half of May a total of $15,311 was received on dilatory balances.

In presenting the figures, Superintendent Hartley D. McNairn sounds a warning to the few companies and general agents who have been habitually slow in filing returns, stating that if this is continued he "will consider what disciplinary action may be taken under the provisions of the insurance act."

The LONG VIEW

Make arrangements with the Sun Life Assurance Company of Canada for a monthly cheque to be sent to you if you live or to your family if you die.

Ask a Sun Life representative or write your nearest Sun Life office to give you full details of the Family Protection and Retirement Policy which is proving so popular.

This life insurance policy, combining in one contract all the basic services of life insurance and annuities, has been developed by the Sun Life of Canada.

It is complete and economical, the result of 65 years of insurance service.

If you die prematurely it provides:

(1) Cash to settle debts
(2) An income for your family
(3) An income for your wife

If you live to retirement age it assures:

(4) An income for yourself

SUN LIFE OF CANADA
OFFICES IN ALL IMPORTANT CENTRES

United States Fidelity & Guaranty Company
TORONTO

OVER $1,000,000 DIVIDENDS PAID TO POLICYHOLDERS IN 1935
Fire Insurance that Pays Dividends
BRANCHES: Toronto, Hamilton, Ottawa, Vancouver, Kelowna, Victoria, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, Quebec City, St. John, Halifax
Save up to 30 per cent. on your Fire Insurance by participating in these annual dividends. Full information will be gladly supplied by our nearest branch office.
NORTHWESTERN MUTUAL FIRE ASSOCIATION
Non-Assessable Policies Assets $6,000,000.

"Canada's Largest Fire Mutual"
The WAWANESA MUTUAL INSURANCE CO.
Ranks 3rd against all companies on total volume of fire business written in Canada
FIRE, WINDSTORM, SPRINKLER LEAKAGE, AUTOMOBILE, LIABILITY, DOCTORS' AND DENTISTS' LIABILITY, PLATE GLASS
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Eastern Office—311 CHURCH ST., TORONTO, Ont.
Branches also at Vancouver, B.C.; Edmonton, Alta.; Regina, Sask.; Winnipeg, Man.; Montreal, P.Q., and Moncton, N.B.

YOURSELF AT SIXTY-FIVE

If you could look into the mirror of the future and see yourself at 65, would the reflection be that of a man of independence, living in the comfort to which that age is entitled—or that of one dependent upon others?

A Prudential Combined Assurance Pension policy would help you paint a different picture of the future. Ask a Prudential representative about this and other Prudential "with profit" policies.

THE PRUDENTIAL ASSURANCE COMPANY LIMITED OF LONDON ENGLAND
Head Office for Canada:
465 St. John Street, Montreal, P.Q.

65 Years of Security and Stability to Policyholders
ASSETS NOW EXCEED $106,000,000
INSURANCE IN FORCE EXCEEDS $387,000,000
For Maximum Life Insurance Protection at minimum cost—consult
Confederation Life
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BUSINESS ACCLAIMS Dalhousie Bond

a water-marked sulphite paper of uniform high quality in appearance, colour and durability.

Business has discovered and accepted Dalhousie Bond, because Dalhousie has what business requires in this type of paper—the feel and appearance of a high quality bond paper at a moderate cost. And the quality does not stop with outer appearance. It is built right into the sheet by men with thirty-five years experience in producing fine papers.

Specify Dalhousie Bond on your next printing job. It is supplied in White and eight attractive colours to suit every requirement.

THE E. B. EDDY COMPANY LIMITED • HULL • CANADA

Bank Chat

Social (?) Credit

WITH social credit practically discredited in Alberta, interest in the dividend distributing scheme now centres largely in the dispute between Douglas and Aberhart. Alberta's premier can harbor no particularly amiable regards for the major following his deafness to the Macedonian call. And most recent word from England has it that the "Militant Major" thinks "Bible Bill" talks too much and does too little.

Three preliminary steps, the English maestro claimed, were prerequisites to the enforcement of social credit in Alberta. First of all, government radio and newspaper facilities for the promotion of propaganda. Just what good these would accomplish within a province almost wholly exposed to the social credit mania is difficult to see. In any event, the radio station which on the Sabbath broadcast Aberhart's religion would serve equally well to send out Aberhart's gospel of social credit. Purchase of the "Albertan," nominally at least, would round out compliance with the first requirement. But here the ways separated.

* * *

Take Your Choice

THE second and third essentials—that some form of credit institution or government bank be established, and that sufficient "foreign exchange," orthodox currency acceptable outside the province, be accumulated for necessary imports—have not been implemented.

Aberhart, in a tight spot, believes they cannot be carried out until a sound financial position has been established, and cites the old parable of a house built on the sands. To which Douglas replies, Irish fashion, by asking another question. If the province can be set on its feet financially by ordinary methods, why attempt social credit?

Either way, the scheme is an economic mirage.

* * *

Stability Costly

FRANCE'S grim fight to remain on gold may have been the cause not only of severe hardship to her industry, but of the loss of the Rhineland, according to a London newspaper story. The article contends it was Hitler's knowledge that France could not oppose him without involving the franc in difficulties which led to his decision to march into the Rhine territory.

According to the story, the French government had just about decided that the Reichswehr was not ready to fight and that a show of strength by France would cause Hitler to back down. Cost of mobilization, however, was estimated at 5 billions of francs. It was realized that this money could be raised only by the Bank of France discounting treasury bills, which would be immediately followed by attacks on the franc.

So the plan was abandoned. It is contended that Hitler's insight into the situation led him to make his move at the psychological moment.

* * *

Legal Tender

INDICATIVE of the logic of some of the more radical theorists was the argument advanced by a member of the Dominion Parliament recently for the confiscation of bank notes. The honorable member advanced the rather startling opinion that since bank notes are not legal tender, therefore they are counterfeit. And if they are counterfeit, they should be dealt with in the same manner as other counterfeit bills. Further, action should be taken against the banks for the return of the interest "which they have been receiving illegally" on the currency.

That a representative in the House of Commons should make such a ridiculous suggestion is deplorable. Yet it is typical of the charges which are being made against the banks by uninformed critics. Chartered banks are empowered by an Act passed in the House in which the member sits, to issue notes "payable to bearer on demand and intended for circulation" up to 95 per cent of unimpaired capital.

U. S. Money Is Financing Grain Trade

Banks Face Competition From Cheap Foreign Funds

SELECT BORROWERS

Canadian banks are receiving a good deal of competition for financing the handling of the Canadian crop through cheap money from the United States.

Bankers in the United States, looking for a chance to place some of their surplus funds have been attracted for some time by the prospect of sharing in this business, and have recently been overcoming many of the difficulties which formerly seemed to be in the way. Their lack of offices in Canada has led to personal visits to Winnipeg, Toronto and Montreal and designation of trust companies to act as their agents.

Exchange Insurance

Canadian firms have been reluctant to take a chance on variations in exchange rates between Canada and the United States, but lenders have arranged insurance of the transaction by operations in the futures market for exchange. Placing Canadian grain paper, which may be required at short notice, in vaults of United States banks creates a possibility of awkwardness, partly overcome by the use of air-mail, and partly by the development of a basis of confidence between borrowers and lenders. Canadian banks, in lending money on grain, are accustomed to demand, not only the deposit of covering documents, but also satisfactory evidence that the borrower has hedged his grain by a forward sale in the futures market.

Requirements Differ

The Canadian banks require regular statements of the hedging position of their grain customers, and the amount of their loans fluctuates from day to day, increasing or decreasing with the price of grain. The United States banks have not attempted to keep track of the hedging transactions of their customers, nor to vary the amount of the loan.

They have, however, demanded a margin deposit with their agents, fluctuating from day to day, sufficient to keep a ten per cent margin of security no matter what changes take place in market values.

Comparison May Mislead

With all precautions taken, it has been possible for some American money to be lent at a net cost to the borrower of 3 per cent, and sometimes as low as 2½ per cent. While this contrasts with the Canadian 5½ per cent rate which has come to be regarded as standard, the Canadian banks object to the crude comparison. They point out that a large part of their grain loans are on grain in country elevators, where they have to take the customer's word for the quantity and the probable grading. Such loans the United States lenders will not touch, demanding warehouse receipts as security, calling for definite quantities and grades of grain. Then, too, this cheap United States money is not available on lower grade grain, even if in terminal elevators, and grain companies like to carry a good deal of such grain.

Most Loans Canadian

The Canadian banks remind customers who go elsewhere for some of their funds that they are still looking to the banks of this country for the major part of borrowings. If banks from south of the line are giving lower rates than Canadian banks can give, the former are skimming the cream of the security.

The total amount of business done by U. S. banks is restricted by the fact that so large a part of the wheat in Canada is the property of the Canadian Wheat Board. All of such wheat, it is believed, is being currently financed by loans from the chartered banks, under guarantee from the Dominion Government.

If the Canadian banks have held this, they have, however, lost some business once enjoyed in connection with government wheat operations. The Clearing House of the Winnipeg Grain Exchange formerly required from the government agency a deposit, in a joint account of the agency and itself, of a sufficient sum to guarantee performance of futures contracts. These funds were borrowed from the banks and in turn re-deposited with them at one per cent less than the borrowing rate. The new Wheat Board did away with the necessity of such transactions by obtaining a direct guarantee from the government to the Clearing House.

Little Effect On Earnings

Ability to borrow money at low rates from United States sources does not, as might be supposed, add to the earnings of the grain companies. Instead the low rates, by reducing carrying costs, narrow the margin between cash and future prices. At times this has been narrowed to the point where it is just sufficient to leave a small earning on storage for the company which borrows at low rates, and to make it impossible for the company which does not so borrow to carry grain.

Foreign Exchange

Foreign exchange markets are relatively inactive, apparently awaiting developments in France after formation of the new government. Sterling has been exceptionally firm owing to heavy demand in foreign centres. While the extreme outward flow of gold from France is believed to be at least temporarily stopped, developments there cannot be predicted until the Socialists' financial policy is brought down. Meanwhile, French authorities are reported to be suspicious of British financial control measures, fearing competitive devaluation.

Sterling has remained exceptionally firm owing to heavy demand in foreign centres.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	May 19	May 20	May 21	May 22	May 23
U. S. dollar, High	.5906	1.00 1/16	1.00 1/16	1.00⅛	1.00⅜	1.00 1/16
Low	.5906	1.00 1/32	1.00 1/16	1.00 1/16	1.00 11/32	1.00 1/32
1935, High	.5906	1.00 1/16	1.00 1/16	1.00 1/16	1.00 1/16	1.00 1/32
Low	.5906	1.00 1/16	1.00 1/32	1.00 1/32	1.00 1/32	1.00
U. K. pound	4.8665	4.9868	4.9868	4.99	4.9933	4.99½
Argentina	.4246	.2779	.2779	.2780	.2780	.2779
Australia	4.8665	3.9814	3.9810	3.9830	3.9868	3.9874
Austria	.1407	.1886	.1886	.1887	.1884½	.1883¼
Belgium	.1392	.1697	.1679¼	.1698	.1697	.1696
Brazil	.1963	.0566¾	.0566¾	.0562¼	.0567	.0566½
Czechoslovakia	.0296	.0416½	.0416¼	.0416½	.0416¾	.0416
Denmark	.2680	.2226	.2227	.2228¼	.2230	.2229¼
France	.0392	.0660½	.0660½	.0661	.066063	.0660¼
Germany	.2382	.4038½	.4038½	.4042	.4040	.4038¼
Greece	.013	.0094¼	.0094¼	.0094¼	.0094½	.0094¼
Holland	.4020	.6780	.6781	.6784¼	.6781	.6780
Hungary	.1749	.1986	.1986	.1987½	.1987	.1986
India	.3650	.3798	.3797	.3800	.3799	.3800
Italy	.0526	.....	.....	.0788	.....	.....
Japan	.4985	.2924	.2924	.2923	.2926	.2923
Jugoslavia	.1929	.0230½	.0230¼	.0230½	.0230¼	.0230¼
New Zealand	4.8665	4.0215	4.0211	4.0231	4.0269	4.0275
Norway	.2680	.2506	.2506	.2507	.2509½	.2509
Poland	.1122	.....	.1896	.1897	.1893	.1888
South Africa	4.8666	4.9619	4.9613	4.9637	4.9684	4.9694
Spain	.1929	.1369¼	.1369¼	.1369	.1369¼	.1369
Sweden	.2680	.2571	.2571	.2572½	.2575¼	.2574
Switzerland	.1930	.3245	.3243½	.3245½	.3242	.3240½
Hong Kong	.5422	.5275¼	.5272	.5252	.5251	.5259

Make Canadian Formula Equation of Exchange

As a supplement to its annual report of bank debits, the Dominion Bureau of Statistics has published a special study of Canada's equation of exchange in the post-war period.

The equation of exchange is a device for showing the relation between financial transfers, business operations and prices. The equation was developed from the quantity theory of money which postulated that one of the normal effects of variation in the amount of money in circulation is to produce direct changes in prices. Upon the increase of money in circulation, there is a tendency for the general level of prices to advance, while a decline in circulating media leads to a drop in prices. It was found that through the use of cheques bank deposits served the same purpose as money in the payment of accounts.

17 Year Calculation

In order to complete this work the Dominion Bureau has made a calculation of the actual amount of circulating media in the hands of the public in each of the 17 years between 1919 and 1935 inclusive, together with a total of the sum of deposits in chartered, federal and provincial banks, a complete study of bank debits and velocity of deposits and money in Canada during these years, and finally the total payments by cheques and cash in order to complete the left-hand side of the equation.

Recent Trends

Bank deposits showed gains in the last two years and notes and coin in the hands of the public have recorded increases since 1932. Bank debits increased in 1933 and 1934 but showed a recession in 1935. Advances were recorded in the general price level and in the physical volume of business since the low point was passed in 1932 and the first quarter of 1933.

Factors comprising the equation of exchange during the past four years follow:

Canada's Equation of Exchange

	1932 $	1933 $	1934 $	1935 $
Bank deposits	1,944,300,000	1,929,000,000	1,952,600,000	2,078,700,000
Bank debits (plus 12½% for outside centres)	29,074,800,000	33,729,100,000	36,975,000,000	35,489,300,000
Circulating Media in hands of public	176,650,000	177,270,000	183,600,000	194,100,000
Total payments by cash and cheque	3,077,200,000	3,612,800,000	4,052,100,000	3,860,600,000
(Index Numbers 1926=100)				
General price level	80.2	79.6	81.5	83.0
Physical volume of bus.	78.7	79.7	94.2	102.4

Bank Trend Moves Upward During 1935

Nations Alleviate Financial Worries, Says International Head

CENTRAL BANKS FIRM

Some alleviation of the troubles which have beset the banks of the world was evidenced in 1935, according to the annual report of the Bank for International Settlements. The bank's analysis of developments is as follows:

"Summing up the developments in commercial banking during the year it may be said that although difficulties are still experienced in some countries there are signs in others of emergence from the troubles of recent years. Symptomatic of the improvement are the repayments made by United States banks to the Reconstruction Finance Corporation, the regained liquidity of the Belgian banks, the rapid repayment of the emergency credit granted to the Skandinaviska Kredit Aktiebolaget in Sweden at the time of the Kreuger crisis and the resumption of dividends by the big German banks for the first time since 1931.

Advances to Industry

"In some countries there has also been an increase of advances to industry and commerce reflecting recovery in business and a more active use of bank credit, not only for the purchase of government securities, but also the financing of a larger volume of trade and production.

"The new laws which have been passed in a number of coutries have in general two main purposes. In order to protect the security of deposits, regulations have been made with the aim of preserving the liquidity and solvency of the banks. At the same time for reasons of general credit policy, advantage has been taken of the passage of the new laws to give greater power to the central bank or some authority in close connection with the bank for the supervision of the credit machinery.

Banking Evolutions

"It should be understood that also in a great many countries where no changes in banking laws have been made, an evolution has occurred in the actual practice of the existing credit institutions; the effective position of the central banks has increased in authority and leadership in relation to their markets, and the best managed commercial banks have observed in their liquidity and investment policy, irrespective of any binding provisions, the principles which the new legislation embodies. More attention is given to these matters, for the experience of the past few years has everywhere made manifest the fundamental importance of having a satisfactorily functioning credit system."

Staff Changes

The Bank of Montreal has announced the following changes in staff:

A. E. JOHNSON, formerly at superintendent's department, Toronto, to be manager at Midland.

G. L. McCLENNAN, formerly manager at Midland, to be manager at Guelph.

R. G. REDDITT, formerly at superintendent's department, Toronto, to be manager at James & Barton, Hamilton.

A. D. McQUEEN, formerly assistant accountant at Toronto, to be manager at Royal York Hotel, Toronto.

L. P. ROACH, formerly at superintendent's department, Calgary, to be manager at Leduc.

W. H. D. ANDERSON, formerly manager at Trochu, to be manager at Drumheller.

The Royal Bank has made staff changes as follows:

D. H. MILLS, formerly manager at Danforth & Dawes, Toronto, to be manager at Runneymede & Bloor, Toronto.

O. V. STEVENSON, formerly accountant at Fredericton, to be manager at Plaster Rock.

H. F. HENDERSON, formerly manager at Plaster Rock, to be manager at Richibucto.

A. R. WRIGHT to be assistant manager at Rio de Janeiro.

S. McALISTER, formerly assistant manager at Rio de Janiero, to be manager at Pernambuco (Recife).

J. E. PALFREY to be manager at Maitland.

G. O. LONG, formerly manager at Weymouth, to be manager at Bridgetown.

S. G. MERRIAM, formerly manager at Bridgetown, to be manager at Summerside.

R. B. RICHARDSON, formerly manager at Summerside, is retiring on pension.

W. W. Evans Heads Alberta Body

W. W. Evans, Edmonton, has been elected president of the Mortgage Loans Association of Alberta, succeeding Hugh Melvin, Calgary.

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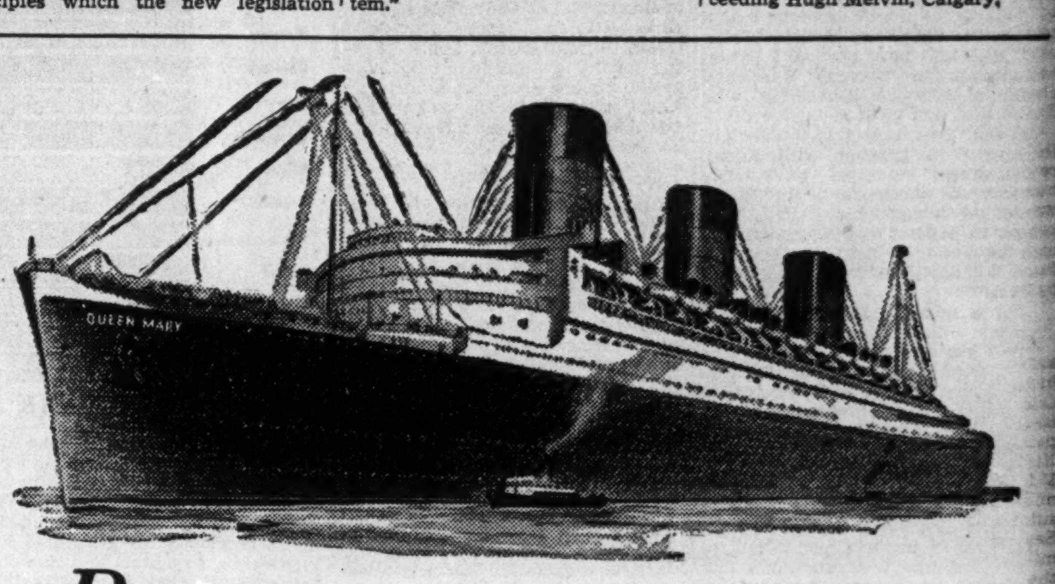

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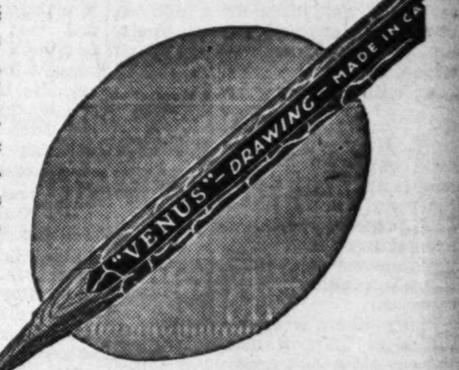

VENUS

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Bank of Canada Weekly Statement

Changes in the Bank of Canada balance sheet last week were for the most part small and of relatively little significance. Total assets were up $4 millions, chiefly due to an increase in deposits. Note issue, at $91.8 millions advanced about $400,000.

Most of the additional funds went into short term government securities, which recorded an increase of $3.4 millions during the week.

Balance Sheet

	May 20 $	May 13 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	91,834,162	91,435,859
Rest fund	173,092	173,092
Dep.: Dominion	27,352,418	26,772,183
Banks	186,462,275	183,363,789
Other	1,084,086	802,558
Total deposits	214,898,779	210,938,530
All other liabs.	2,032,133	1,914,633
Total liabs.	313,938,166	309,462,114
Assets		
Reserve: Gold	179,978,364	179,737,898
Silver bullion	1,682,678	1,682,678
Res. in sterling	1,719,659	1,096,602
Res. in U. S.	13,194,117	11,395,921
Res. elsewhere	6,437	11,428
Total reserve	196,581,255	193,924,527
Subsidiary coin	329,774	337,699
Advances	2,000,000	2,000,000
Investments:		
Dom. govt. short.	31,650,028	28,220,624
Other Dom. govt.	80,520,642	82,096,959
Total invest.	112,170,568	110,317,583
Premises	208,522	122,301
All other assets	2,648,046	2,760,004
Total assets	313,938,166	309,462,114
Reserve ratio	64.08%	64.13%

Weekly Bank Clearings

	May 21 1936 $	Change year ago %	May 14 1936 $
Halifax	3,328,050	+6.5	2,078,134
Saint John	1,914,353	+2.9	1,660,614
Moncton	742,759	+3.1	712,373
Sherbrooke	509,450	—9.2	620,940
Quebec	3,471,629	—2.5	4,150,251
Ottawa	16,872,062	—31.9	27,021,784
Kingston	532,315	+7.6	506,764
Peterborough	635,231	+13.0	596,951
Toronto	145,701,637	+8.5	117,066,883
Hamilton	4,357,233	+11.3	4,103,294
Kitchener	1,181,027	+21.2	1,068,311
Brantford	995,016	+27.6	807,160
London	2,982,738	+16.0	2,433,188
Chatham	487,034	+8.8	429,318
Windsor	3,212,445	+27.4	2,657,803
Sarnia	499,356	+0.1	475,579
Sudbury	801,024	+19.4	952,482
Fort William	1,313,095	+123.4	873,208
Winnipeg	51,883,124	—20.8	60,157,517
Brandon	292,747	+1.6	263,416
Regina	3,754,336	+33.5	4,449,342
Moose Jaw	584,281	+18.4	482,050
Saskatoon	1,483,080	—2.4	1,327,740
Prince Albert	324,358	+0.4	330,359
Edmonton	3,838,763	—12.2	3,985,191
Calgary	6,607,344	+15.8	6,669,504
Medicine Hat	229,933	+0.1	228,917
Lethbridge	429,095	—1.4	449,736
N. W'minster	526,998	+10.6	585,775
Vancouver	17,796,691	+13.9	16,135,948
Victoria	1,501,393	+7.9	1,565,034

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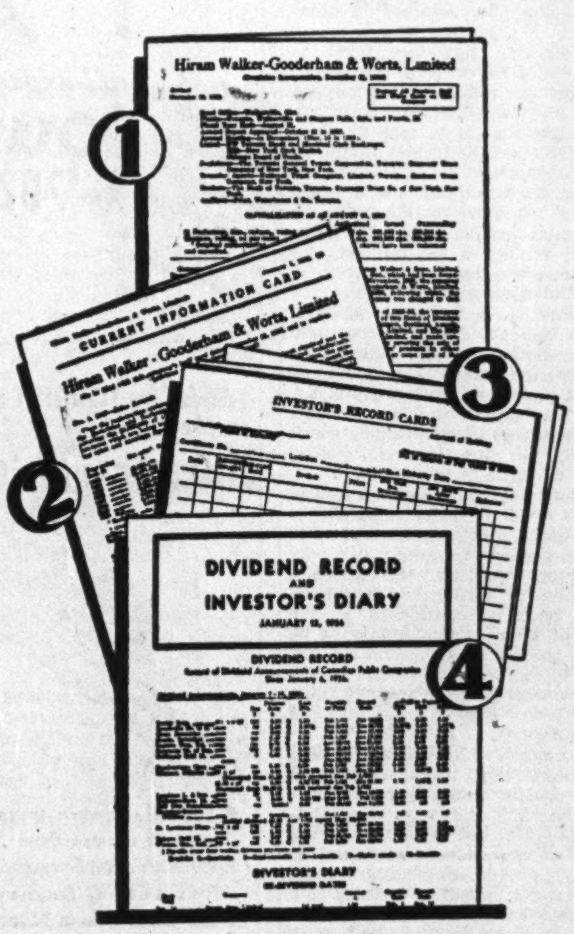

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Canada . . . and the Next Five Years

Greater Public Honesty A Basic National Need

Leading Canadians Also Discuss Sectionalism, B. N. A. Act Revision, Immigration, Agriculture and Canadian Market Problems

BY KENNETH R. WILSON

Few opinions were more vehemently expressed or given a higher ranking by contributors to "Canada—and the Next Five Years" than the thought that a major Canadian problem is the need for higher standards of public honesty and a strengthening of our moral fibres.

"Canadians have become a nation of alibi-chasers," says Dr. Sherwood Fox, of Western University, who feels that our great inclusive problem is a "general lack of intellectual sincerity in dealing with facts." "Canadians," he says, "have made themselves members of the great order of incurable optimists, who seem to believe that if one ignores unpleasant facts long enough, matters will sooner or later right themselves."

For a solution, Dr. Fox sees the remedy within our own grasp if we would use it, and advocates education along the broadest lines so that every school, every industry, legislator, editor, professor, parent or citizen who has the "vision" must become schoolmaster to the nation, provided all speak long enough and loudly enough.

Dr. Fox would start by making taxation direct and "visible" as the first step in making people realize that government expenditures and subsidies are merely loaned from our own purses, and must be paid back.

Widely Endorsed

A fellow professor — Stephen Leacock—lines up with Dr. Fox by saying that "in Canada, as in every other modern democratic country filled with good resources and decent people, there is only one problem—that of public and civic honesty."

And, by the same token, Mrs. A. M. Plumptre, for many years active in Toronto's civic life, is equally vehement in seeing our chief need as a "sound attitude toward public life, and our chief problem the creation of such an attitude." She traces the problem back to three groups of people—the electors, the elected, and the executives (or civic servants), and looks for a solution not in any cut and dried formula, but by a long process of education which, to succeed, must inevitably start with the young.

Public Honesty

Dr. Horace Brittain thinks our most important and difficult problem is to "build up and maintain the moral fibre of our body politic" and forecasts that if such a moral revival were to take place, deficits, taxation and other pressing governmental problems would quickly disappear.

Many others stress the need of a return to "pioneer mentality," our present state being, as John Imrie describes it, a "falling away from the rugged honesty of former days." Sir Edward Beatty, after naming unemployment and public debt as our most immediate problems, places third, the problem of "how to restore ordinary confidence in the general honesty and good will of our people," and concludes by the strong contention that "all the problems of this country will find their solution in a return to sane principles of government."

National Welfare

C. H. Carlisle urges that those who contribute most largely to employment and the economic welfare of the country should give equally of their time and talent to matters of national welfare as well as to their own business problem. Similarly, Arthur B. Purvis ranks as a major problem the fostering of the sense of obligation of citizenship, while Ross H. McMaster lays emphasis on the need of creating "public opinion in support of those actions which should be taken to solve our other problems."

He feels the politicians have failed to lead opinion along lines which would prepare the public for adequate discharge of its responsibilities, and argues that public opinion, if intelligently led, can provide governments with the courage necessary to really grapple with our difficulties. Both he and A. O. Dawson suggest that renewed confidence in the commercial leadership of Canada would do much to restore confidence.

Sectionalism and B. N. A.

An equally important body of opinion ranks the threat of sectionalism as a major national problem, while closely related is placed the specific problem of amending our constitution to achieve a new basis of co-operation between Ottawa and the provinces and to co-ordinate financial and taxation problems.

Thus, Dr. R. C. Wallace, newly-named chancellor of Queen's University, sees the control of our constitutional machinery as a major problem, and suggests a plan must be found whereby changes in the B. N. A. Act may be made by the Canadian people "by unanimity of the provinces and the Dominion in matters of religion and language, and by the majority vote of the provincial houses and the Dominion in other matters."

Another westerner, George Barr, K.C., of Regina, thinks we must take immediate steps to amend our constitution and redistribute legislative power as between Ottawa and the provinces, while Charlotte Whitton sees the present régime of divided jurisdiction and responsibility a definite handicap to necessary social reform and progress.

Conferences a Way Out

A warning of possible danger is brought out by Mrs. A. M. Plumptre who mentions the possible threat to the stability of Confederation if any attempt is made to change the terms on which Confederation was made possible. She also points to the experiences of the Great War, which demonstrated how "public sentiment can overflood constitutional divisions and unify nine provinces into one nation."

She suggests the federal-provincial conferences of recent years have afforded an opportunity for frank discussion and giving an intimation "of the line along which a greater centralization of policy may ultimately take place, preceding constitutional action."

Threat of Sectionalism

As to the threat of sectionalism, Dr. C. C. Jones, from his Maritime vantage point at University of New Brunswick, sees in this problem a threat to national life, and suggests the federal government may have to exert more discipline than it has in the past. He warns that provincial independence, though greatly to be desired, "is not consistent with a continual seeking for special favors."

Another educationalist, Dr. Wallace, sees co-ordination of eastern and western viewpoints in Canada essential, and suggests that high tariff policies are incompatible with the additional policy of exporting manufactured goods without limit to other countries, and will eventually make the position of western Canada, as a primary producer, impossible. He suggests that protection of Canadian industry be maintained at the lowest possible figure for the sake of western Canada.

Balancing of Interests

To Rabbi Eisendrath the dangers of sectionalism as a major Canadian problem lie in the realms of religion, race and economics. For a solution he urges "cultural pluralism rather than totalarianism."

And similarly, John Imrie points out that to obtain a new point of view between the different sectional interests, one must depart from purely economic yardsticks and obtain a "fine balancing of interests as between different groups, both economic and geographic, a willingness to compromise, a readiness to give as well as to take." This, says Mr. Imrie, is Canada's great national task today.

Sphere of Government

Other major problems connected directly with the sphere of government include considerable emphasis on a limitation of state control. To Sir Edward Beatty, the need is for a clearer definition of the sphere of government. Sir Edward thinks it is high time we set such limits and that this would be, in his opinion, a very popular policy at the present time for politicians to sponsor. He believes that governments should "dispose of the operation and ultimately of the ownership of business institutions which they have acquired."

Less Leaning on State

Dr. Wallace, of Edmonton, would free business from state control as much as possible "consistent with rigid control over minimum wages and refinancing and reorganization of companies." If such control cannot be achieved, the alternative, as he sees it, is state capitalism.

Mr. Imrie is another who stresses the need for less leaning on the state, while George Kidd, of Vancouver, though emphasizing over-government, thinks that a proper public viewpoint must precede any change. Many contributors, such as Mrs. Plumptre, Mr. Carlisle and others confine their remarks in this respect to a discussion of the overlapping of government function and the complexity and widespread ramifications of present-day government services.

Pleas For Extension

There are, of course, some pleas that specific government services be extended. Thus, Senator Dennis urges the need of state medicine, and Dr. C. C. Jones, of New Brunswick, and Dr. Trueman, of Mount Allison, urge the need for extension of educational efforts. Dr. Jones feels we are losing ground through failure to co-ordinate education along national lines, while Dr. Trueman urges especially the need for adult and vocational education, and thinks that the extra cost would be small compared with the results that might be obtained.

Professor Logan, of Western University, sees the problem in terms of intelligent spending which, in turn, hinges on broader economic education, and states frankly that he has no particular preference as between private and public entrepreneurship.

If there is to be more of the latter, (government ownership and operation of business), then he feels it should be turned over to the highest type of industrial and engineering talent, with a free hand to disregard claims of particular localities and "with instructions to get results." He favors also the economic council plan for a periodic review of prices, wage and money rates, etc.

Immigration Discussed

Seven contributors mentioned specifically the question of immigration. Thus, Dr. Wallace believes the time has now arrived "when the fullest consideration should be given to a wide policy of immigration in the interest of Canada as a whole." He suggests such a policy being co-ordinated by the Dominion government in the best interests of transportation companies, agriculture and labor.

Sir Edward Beatty, while not so definite as to time, thinks active measures of land settlement must come in the near future. He hopes such settlement will go hand in hand with "such an improvement in the relative conditions of agriculture compared with other industries as to encourage private enterprise to seek an outlet in this direction."

International Problem

Many contributors urge the international aspect of this problem as, for example, Sir Robert Falconer, who says "we cannot simply sit tight permanently with closed doors; we must prepare ourselves to receive more population." Charlotte Whitton says the same thing when she points to the over-population of such countries as Italy, Germany and Japan, "Canada can hardly escape the responsibility of bringing into development and occupation, on her own terms and by population of her own selection, some of the vast tracts held out of use."

Rabbi Eisendrath sees no permanent prosperity without increased population, while some support is given to the view that internal trade expansion of the right sort would attract immigrants and thus help, not hinder, recovery.

Agriculture and Markets

A final major problem tackled by contributors to this important series concerns the whole realm of Canada's foreign and domestic markets with particular reference to agriculture and profitable farm operations.

Chief exponent of the theory that "markets" are Canada's greatest problem, is free trader E. J. Young, recently appointed a member of the National Employment Commission at Ottawa. Mr. Young argues that markets can be found if we go about the task properly, but that we must be willing to buy and sell.

"If we are going to listen to every local industry that wants the Canadian market reserved for itself, we might as well make up our minds that our export trade is doomed," he says.

Buying Ratios Awry

As to domestic markets, he argues that the seat of trouble lies in the fact that when a Canadian farmer goes into the market to sell his products and to buy the products of others, he is required to give three days of his labor for one of the industrial worker's, four days for one of the professional man, five days for one of the civil servant, six days for one of the financial man.

"Under such conditions the farmer cannot exchange labor with other classes. He cannot buy their goods. Half the people of Canada live on farms."

From an entirely different approach, Gray Miller, president, Imperial Tobacco Co., believes the major Canadian problem is to assure the farmer of reasonable profit and suggests that industry must realize its responsibility in any solution. He cites the successful operation of the Natural Products Marketing Act in the tobacco-growing business, and thinks the farmer's problem would be well on the way to solution if anything like the same degree of success could be obtained in other fields.

He stresses, however, that co-operation of buyers with the farmer is a prime requisite to success. "Until buyers of natural products appreciate that it is also to their advantage that the farmer should be able to market his goods in an orderly fashion and at a price yielding him a reasonable profit, no substantial progress can be made toward finding a solution of this important question," he says.

Maladjustment of Prices

To Prof. J. E. Lattimer, of Macdonald College, P.Q., the crux and kernel of the problem lies in the "discrepancy which has prevailed for six years and still prevails between the prices of farm products and the prices of some other goods resulting in the low purchasing power of farmers in general."

He sees the unemployment caused by this distorted price relationship as the cause of depression, and without a definite commitment one way or other, outlines the delicate balancing of national alternatives which must be considered if the price of farm production is to be raised to the level prevailing for other things, or conversely, if the price of other goods is brought down to the lower cost of production of farm products.

He suggests a lowering of prices to the farm level might aid foreign and domestic trade, increase business generally and raise the standard of living, but is fearful of the effects of "subsistence" farming as destroying centuries of progress and reducing the appeal of farming as a profitable enterprise.

Two business leaders, both with wide agricultural contacts, stress the need for better quality production on the part of Canadian agriculture. Thus, Col. F. H. Deacon illustrates by practical examples of what was done on his own farms, and suggests an increase "of our average farm production of 10 to 12 bushels to the acre and an increase in price of five to 15 cents per bushel for grain is not an unreasonable expectation for any farmer who energetically and intelligently undertakes the cultivation of suitable grain crops in this part of Ontario."

While admitting that such large increases could not be expected in western Canada, he feels the possibilities are sufficient to ensure an addition of millions of dollars annually to agricultural income. He applies the same analogy to animal husbandry.

The other exponent of quality production is J. S. McLean, who repeats his oft-quoted conviction as to what might happen if Canadian hogs were as good or better as their Danish contemporaries.

Another business man, Norman Dawes, of Montreal, suggests specifically — more scientific research, better instruction, and the shifting of population where necessary from poor to productive areas. He also suggests that "speculation by government or wheat boards in farm products does not seem justifiable."

Wheat Problem

Incidentally, few contributors touched directly on the wheat problem, though C. E. Gravel, of Montreal, suggested that Canada must get back to first principles of supply and demand in this regard.

Sir Robert Falconer, however, places wheat as Canada's No. 2 problem—and one which "will be solved not by securing for a few years more markets and higher prices.

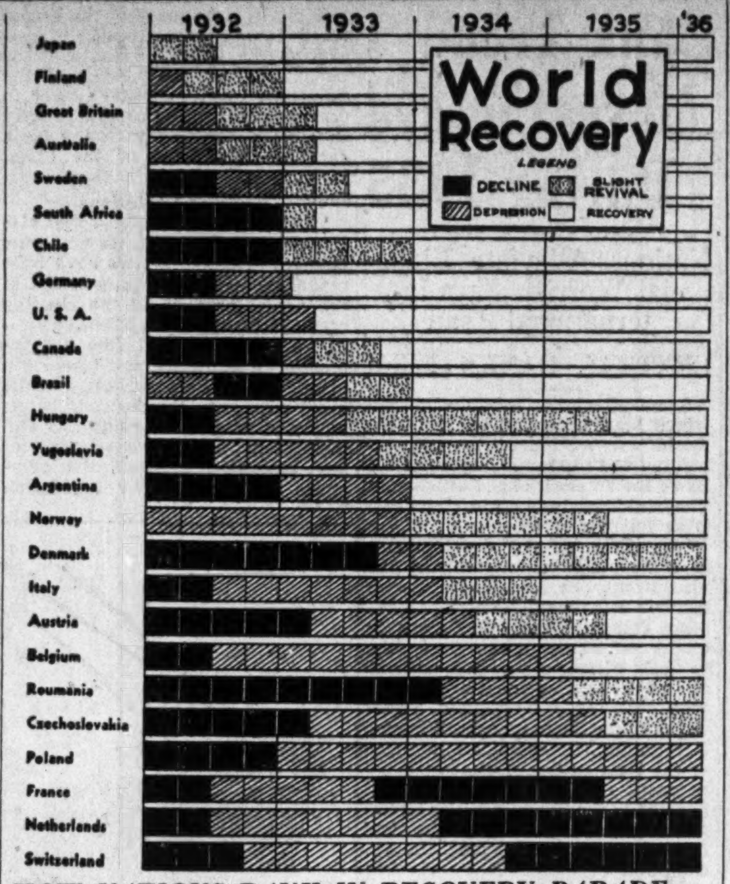
"We must ask," he says, "how much wheat we should grow, and in what proportion to other agricultural products. What amount of wheat will be best in relation to other outcome from the farm if we are to have a prosperous agricultural people?"

However, N. M. Paterson, of Fort William, is doubtless thinking of the grain trade when he sees ahead "nothing but eventually reducing the price of agricultural products to the point that they find markets, and possibly drive less suitable countries out of the grain surplus producing business." He thinks wages must come down so as to give adjustment with the substantially lower standard of living among Canadian farmers.

Many contributors tied lack of markets to unbalance in other parts of the economic structure. Thus, George Barr, of Regina, sees our primary need as the removal of foreign exchange barriers to restore foreign trade, and the re-establishment of proper relationships between goods, services and money before prosperity can be achieved internally.

Prof. Logan, of Western, also sees foreign trade as merely one evidence of unbalanced conditions, while Maritimer A. N. McLean (also newly-appointed to the National Employment Commission) sees the root of our trade problem in debts and monetary mal-adjustment.

An important suggestion for home markets is that of Arthur B. Purvis, who urges modernization programmes on the part of Canadian industries as a major factor toward stimulation of durable goods recovery. Mr. Purvis also stresses the need for better quality and better merchandising methods as an aid to the production and sale of primary products. A. G. Partridge, of Goodyear Tire, also feels our biggest immediate hope is to increase internal trade or markets in view of existing restrictions in world markets.



HOW NATIONS RANK IN RECOVERY PARADE

Based on League of Nations figures the chart above shows graphically the relative standing of leading world nations at the end of the first quarter of 1936. United States and Canada, it will be seen, stand ninth and tenth in length of time they have enjoyed recovery.

One or two explanations should accompany the chart, namely, that Italy's "recovery" is attributed to war prosperity while trade in Chile, Yugoslavia, Argentina and Roumania was reported as in a state of "stagnation" in the first quarter of 1936, according to interpretative notes by the German Institute for Business Research who distributed copies of the chart on this continent via Zeppelin Air Mail.

New Books

TESTED SELLING IDEAS; By C. N. Larrabee and Henry W. M. Marks. Published by McGraw-Hill Book Co., New York. Price $3.50.

Whether you're interested in beating the seasonal slump, selling summer merchandise at Christmas, selling to stockholders, or checking the coupon value of a telephone address, you will find the answer in "Tested Selling Ideas."

More than 200 practical usable ideas of value to sales and advertising managers, merchandising executives are found in this volume recently published under the joint authorship of Mr. Larrabee, managing editor of Printers' Ink, and Mr. Marks, manager of the Readers' Service Department of the same paper.

The authors state that the book is not a survey of current merchandising; and not a success book built on glittering generalities but a case book based on in-the-field experiences of a great many manufacturers during the depression years.

Because tested selling ideas recognize no industrial boundaries, the excellent material herein made available is capable of wide application. The index has been carefully prepared according to specific problems covered and will be of interest to advertising and sales executives.

WAR FINANCE AND ITS CONSEQUENCES. By F. Fairer Smith. Published by the Ryerson Press, Toronto. Price $3.75.

To bad financing during the war, Mr. Smith attributes our present difficulties. While he discusses the manner in which Great Britain financed her share in the war, his criticisms, if valid at all, are applicable to war finance in other countries. His thesis is that the large war loans that were raised during the war burdened Britain with a continuing interest charge that rests heavily upon her economy. He would have had the war loans repaid by a huge capital levy. The attempt to maintain the service on the war loans and to re-establish the pre-war orthodox system of finance has, in his opinion, caused international trade to languish, and has reduced nations to poverty. Britain returned to gold at the behest of her bankers, and is today paying a heavy price for that mistake, he contends.

Interesting as is the factual record that is given, the volume is so much a marshalling of the particular facts that help to prove the author's preconceived criticism that it adds little more to our understanding of monetary problems than do the tracts of Douglas, Soddy or Peddie. For instance, he blames all downward movements of the trade cycles on the derangement of the financial machine. "It is surely high time this was traced and removed," he says. And he adds his belief that "the restriction of demand is to be found in the undue concentration of purchasing power." But the economic problem is not as simple as that. Unsound political policies have caused more trouble in the world than any weaknesses that have been disclosed in the monetary system. The great current argument is whether the nations should get back to saner policies that will permit our economic system to work, or whether we have to adapt our economic system to the political insanities of the post-war period.

CANADIAN-AMERICAN AFFAIRS. Published by Ginn & Co., 1517 Mountain St., Montreal. Price $3.

Last June there was held at St. Lawrence University, in northern New York, a conference on Canadian and American affairs. Financed by the Carnegie Endowment for International Peace, it brought together a great many economists, publicists and historians from both countries. Queen's University, which is practically just across the river from St. Lawrence University, co-operated in making the conference a success. Some of the studies and addresses presented were of outstanding importance and the demand arose that they should be recorded in book form. The present volume is a report of the conference which has been carefully edited by Prof. Reginald D. Trotter of Queen's, Prof. Albert D. Corey of St. Lawrence University, and Prof. Walter W. McLaren of Williams College.

Among those whose contributions are represented in the volume are Owen D. Young, Dr. James T. Shotwell, Sir Robert Borden, W. C. Clark, Dr. John W. Dafoe, Sir Robert Falconer, Hon. Alanson B. Houghton, Prof. Jacob Viner and Prof. George M. Wrong.

The subjects are broad in scope. Relations between the two countries in the field of tariffs, capital movements, transportation, politics, foreign policies and education were stressed.

Because of the diversity of subject matter, a review of the entire volume is not feasible. Of the many papers, one of the most valuable contributions is that of J. Courtland Elliott, economist of A. E. Ames & Co., Toronto, who shows how Canada's financial integrity has been saved on three separate occasions by more or less fortuitous post-war events.

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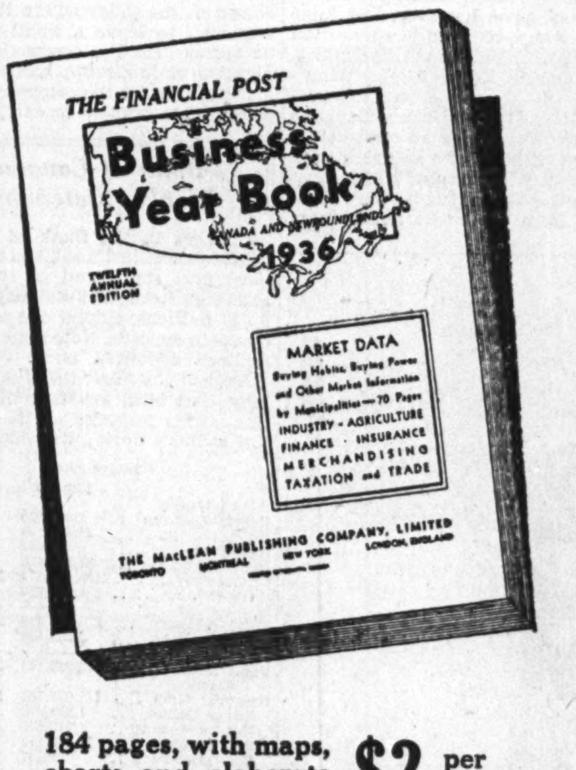

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Company Reports

Dominion Stores

Dominion Stores sales have increased 9.84 per cent over the 1935 level in the first 20 weeks of 1936. In the four weeks ended May 16, the increase was 11.5 per cent. This was effected with 493 stores, or 17 more than in the 1935 period, an increase of 3.6 per cent in number of stores. This indicates that average volume per store is rising, as is necessary to make profits. Comparative sales:

Sales Comparisons

Period:	1936 $	1935 $	Incr. %
4 wks. to May 16	1,517,152	1,360,939	11.48
20 wks. to May 16	7,406,976	6,743,281	9.84

City Dairy Limited

City Dairy Ltd., Winnipeg subsidiary of Dairy Corp. of Canada, reports net earnings after depreciation equivalent to 1.4 times bond interest in the year ended March 31, 1936.

In the annual report it is pointed out that although bond interest has been paid regularly, sinking fund is in arrears $46,000 at June 1. President J. A. Caulder states: "Considerable money will have to be spent in rearranging and modernizing the milk plant, particularly if business continues to show an increased volume as has been experienced during the past year."

The auditors, Riddell, Stead, Graham & Hutchison, comment in the report that the balance sheet and profit and loss account "should be read only in conjunction with our report to the shareholders dated April 27, 1936, and the financial statements attached thereto." It is understood that this report refers to minor valuations and accruals against which reserves may be inadequate.

Trading and Profit and Loss Account
April 1, 1935 to Mar. 31, 1936

	$
Sales	964,949
Cost of product sold	502,031
	462,918
Factory expense	105,401
Gross profit on sales	357,517
Less: Delivery, selling and admin. expense	299,593
Profit	57,924
Sundry income	2,002
	59,926
Less: Bond interest	24,492
Depreciation	24,000
Taxes	1,956
Net profit	9,478
Add prev. surplus	14,678
Balance carried forward	24,156
Working Capital	
Current assets	82,679
Current liabilities	49,183
Working capital	33,496
Ratio	1.68—1

Invest. Foundation

Investment Foundation Ltd. financial statement for the year ended March 31, 1936, shows a maintenance of income and a further increase in the market value of the investment portfolio. While income showed little change, dividends paid on the preferred stock were increased from $2.25 to $2.50 a share. At the end of the year net income was running slightly better than $2.50 a share.

The balance sheet reveals that 770 shares of preferred were retired during the year, leaving outstanding 29,790 shares. In addition to net income, there was a capital profit of $28,629 on securities sold and discount on preferred redeemed. This sum was added to investment reserve. The market value of securities at the end of March was $2,132,602, an increase of $535,009 during the year, and $410,947 under book value.

Income and Surplus Account
Yr. End. Mar. 31

	1936 $	1935 $
Gross revenue	89,921	89,494
Less: Expenses	11,872	11,185
Net revenue	78,049	78,309
Less: Pfd. dividend	74,865	70,177
Income tax	404	186
Balance	2,780	7,946
Brought forward	42,218	34,279
Carried forward	44,998	42,225

Reinhardt Brewery Co.

Reinhardt Brewery Co., Toronto, reports greatly improved earnings for the year ended Feb. 29, 1936, due largely to relaxation of restrictions on sale of beer in Ontario. Bank loan was reduced to $70,000 from $175,000 in 1935, and earnings allowed the creation of working capital whereas there had been a deficiency of current assets compared with current liabilities in 1935. Net profits were equivalent to 5.7 cents a share on the 874,000 common shares outstanding.

Income Account
Years Ended Feb. 28

	1936 $	1935 $
Income	118,385	49,734
Less: Expenses	14,673	......
Depreciation	44,985	44,203
Taxes	8,864	1,402
Net profit	49,863	4,129
Working Capital		
Current assets	100,428	148,975
Current liabilities	94,283	196,382
Working capital	6,145	*47,407

* Deficiency.

Mansfield Theatre

Mansfield Theatre, owning and operating Loews Theatre, Montreal, reports a net revenue for the year ended December 26, 1935, of $15,502, as against a loss of $5,918 for the previous 52 weeks. After all charges the loss for the year was $1,131, against $22,738 shown in the previous report.

The balance sheet shows net working capital reduced by approximately $39,000 to $86,723. This was brought about by an expenditure in connection with the reconstruction of the entrance lobby, installation of a public address system and changes in the ventilating system.

The principal change among the assets and liabilities is a reduction in investments from $110,122 to $34,212. At the same time cash on hand and on call increased from $17,214 to $62,300.

Income and Surplus Account

	Year Ended Dec. 26 1935 $	Dec. 29 1934 $
Gross oper. profit	8,154	......
Less: Exec. salaries	3,730	......
Legal fees	128	......
Net revenue	4,296	......
Other income	11,206	......
Total income	15,502	*5,918
Less: Depreciation	16,583	16,819
Directors' fees	50	......
Loss for year	1,131	22,738
Previous surplus	183,700	206,438
Surplus forward	182,569	183,700
Working Capital		
Current assets	96,787	127,036
Current liabilities	10,064	1,779
Working capital	86,723	125,257

* Loss.

T. T. C.

Operating results of the Toronto Transportation Commission in 1935 were the best in 4 years, earnings before fixed charges and reserves amounting to $4.1 millions.

While gross revenue declined by $53,301 as compared with 1934, the net results were better as a result of reduction of $114,194 in operating costs.

For the fourth consecutive year the net income was insufficient, after all annual charges for interest and for the redemption of debentures, to provide the full amount estimated to be necessary for depreciation and amortization. For this reason $122,282 has been withdrawn from accumulated operating reserves for this purpose, compared with $174,298 in 1934, $301,767 in 1933 and $265,893 in 1932.

Consolidated Income Account
Years Ended Dec. 31

	1935 $	1934 $
Gross revenue	10,516,795	10,570,097
Less operating exps.	6,367,958	6,482,152
Operating earnings	4,148,837	4,087,944
Less fixed chgs. & res.	4,141,103	4,081,224
Carried to surplus	7,734	6,720

Wood, Alexander & James

Profits of Wood, Alexander & James, Ltd., Hamilton, wholesale hardware firm, declined slightly in the year ended Jan. 31, 1936, amounting to only $4,394. Sales, however, commenced to show a substantial increase late in the fiscal year and directors of the company are confident that continued business improvement should be reflected in the earnings of the company.

The company continues to maintain a strong liquid position, working capital at Jan. 31 last amounting to $610,087.

During the year, $19,000 of the company's first mortgage bonds were redeemed, leaving $214,500 outstanding.

Income and Surplus Account
Years Ended January 31

	1936 $	1935 $
Profit from operations	49,816	36,788
Add: Int. on invest.	......	1,840
Prof. on sale of invest.	......	318
Less: Directors' fees	600	......
Remun. to legal advisers & exec. offic.	14,726	......
Net earnings	34,490	38,946
Less: Depreciation	15,060	15,716
Bond interest	13,723	14,655
Income taxes	1,313	1,198
Net profit	4,394	7,377
Add: Prev. surplus	11,120	3,743
Balance forward	15,514	11,120

Working Capital
As at January 31

	1936 $	1935 $
Current assets	675,716	687,469
Current liabilities	65,629	70,787
Working capital	610,087	616,682

Canadian Paperboard

Income of Canadian Paperboard Ltd. in 1935 was insufficient to meet even operating expenses, operating loss for the year being $1,981. Net loss for the year was $19,499.

No provision has been made for depreciation of buildings and equipment of the company's plants at Frankford, Toronto and Campbellford. On the Montreal buildings and equipment only $15,000 has been provided for the period from August, 1933, to the end of 1935.

At the present time no manufacturing operations are being carried on by Canadian Paperboard Ltd., its four plants being leased to Gair Co. of Canada to April 11, 1937, with option to purchase. Under the terms of the lease Gair Co. paid all carrying and shut-down expenses for 1935 in respect of the leased properties and corporation taxes of Canadian Paperboard to an amount not exceeding $500. These charges are not included in the consolidated accounts of Canadian Paperboard.

Cons. Income & Surplus Account
Year Ended Dec. 31, 1935

	$
Operating loss	1,981
Add: Exec. remuneration	2,400
Interest	2,040
Provision for depreciation▲	10,000
Legal fees	3,078
Net loss for year	19,499
Add: Previous deficit	34,846
Depreciation, prior year†	5,000
Prior year tax adjust.	254
	59,599
Less: Sundry items	28
Deficit carried forward	59,571

▲On Montreal buildings and equipment.
†On Montreal bldgs. & equip. for 1934.

Abitibi Power & Paper Co.

Higher sales of newsprint and pulp in 1935 enabled Abitibi Power & Paper Co. to raise its profits available for depreciation and bond interest from $952,928 in 1934 to $1.2 millions in 1935. This was after restoring the reserve of $100,000 for doubtful accounts but that item was cancelled by the fact that $100,000 additional was derived from dividends on holdings of Provincial Paper common shares.

Abitibi Power showed a saving during the year of more than $200,000 in costs of carrying idle mills and timber limit concessions but it had to meet a new expense of $100,000 in amortization of G. H. Mead Co. shares purchased.

Results From Operations
Years Ended Dec. 31

	1935 $	1934 $
Income:		
Sale of newspr. & pulp	10,906,209	9,371,840
Sale of power	325,971	329,940
Less: Oper. costs incl. adm., sup. & gen. exps.	9,357,033	7,745,331
Due on U. S. funds	......	96,973
Add: U. S. exch. rec'd	38,452	......
Int. & disc. earned	39,819	124,903
Sundry oper. profits	25,403	12,179
Prev. res for doubt. accts. restored	100,000	......
Prov. Paper div.	100,000	......
	2,178,821	1,996,558
Less: Int. on rec's. certs. & overdraft	221,190	152,113
Cost of issue of reports	3,092	4,198
Int. on contracts for purch. of Thunder Bay shs.	163,675	163,675
Cost of carrying idle mills and timber limit concessions:		
Idle mill costs	196,972	337,686
Taxes, mill and townsites	74,238	84,804
Timber concess.	67,725	79,856
Int. charges, etc.	......	45,298
Legal, audit & acc. exps.	48,000	42,000
Rec's. remun. & exp.	48,000	48,000
Prov. for bad debts	......	10,000
Amt. w/o pulpwood acquired prior to receivership	50,000	75,000
Amort. of G. H. Mead Co. shs. pur.	100,000	......
Exps. re bhldrs meet.	743	......
Bal. avail. for depr. & bond int.	1,205,186	952,928
Working Capital		
Current assets	6,373,817	4,703,965
Current liabilities	4,610,967	4,325,232
Working capital	1,762,850	378,733
Ratio	1.38—1	1.09—1

Postal Telegraph & Cable

Postal Telegraph & Cable Corp. shows some improvement in gross and net earnings. These are still insufficient for bond interest, however.

Working capital is stronger and cash stands at $3.7 millions.

Cons. Income and Surplus Account
Years Ended Dec. 31

	1935 $	1934 $
Gross earnings:		
Telegraph, cable & radio	27,952,433	27,262,543
Dividends	450,738	493,313
Interest	13,258	
Miscellaneous	209,366	459,272
	28,625,795	28,215,128
Less: Exps. & taxes	25,398,839	25,152,786
Depreciation	1,828,293	1,813,919
	1,398,663	1,248,423
Less: Int. & chgs., assoc. cos.	278,500	296,635
Net earnings	1,120,163	951,788
Less: Int., not paid	2,538,215	2,542,328
Loss for year	1,418,052	1,590,540
Less: Prev. paid-in surp.	647,629	2,263,169
Add: Workmen's comp. insur.	......	25,000
Balance forward	*770,423	647,629
*Deficit.		
Times Bond Int. Earn.:		
After deprec.	0.44	0.37
Working Capital		
Current assets	8,810,374	8,858,023
Current liabilities	4,298,257	5,755,313
Working capital	4,512,117	3,102,710

Note. — Liabilities incurred prior to June 15, 1935, are not included in current liabilities and include interest on funded debt accrued but not paid of $2.5 millions. Of total current liabilities a subsidiary note payable to the bank and guaranteed by parent company accounts for $2.7 millions.

Second Standard Royalties

Total income of Second Standard Royalties in 1935 was $88,410, compared with $100,040 in 1934. Although a loss is shown after deduction of depletion and other charges, preferred dividends of $84,387 were paid, being permissible under wasting assets by-law of the company. Dividends are really being paid from total income and represent depletion charges. In addition, it was necessary in 1935 to draw from reserve account to pay the total of dividends and operating expenses. The reserve is now $26,000 and is invested in bonds. The deficit represents chiefly depletion charges which actually have been disbursed to shareholders.

Consolidated Income and Surplus Account
Years Ended Dec. 31

	1935 $	1934 $
Gross profit	6,885	§8,672
Less expenses:		
Gen. administration	11,352	13,570
Add: Int. earn. on U. S. funds	1,579	718
Net oper. loss	2,888	21,524
Add: Profit on sale of royalty int.	......	3,523
Net loss	2,888	18,001
Add: Preferred divids.	84,387	112,517
Deficit for period	87,275	130,518
Add: Previous deficit	1,057,921	927,360
Loss on sale of office furniture	......	42
Deficit forward	1,145,196	1,057,920
§Loss.		
Working Capital		
Current assets	45,115	52,767
Current liabilities	846	526
Working capital	44,269	52,241
Ratio	53.33—1	100.32—7

National Grocers Co.

National Grocers Co., Toronto wholesale firm and godfather of Red & White stores, reports improvement in earnings for the year ended March 31, 1936. Comparison is not strictly correct because the period ended March 31, 1935, was only 9 months. The fiscal year closed June 30 in years prior to 1935.

All interest charges were covered 8.2 times in the year, after depreciation. Net profits were equivalent to $14.46 a share on the preferred, and regular dividends of $7 a share and arrears of $3.50 a share were disbursed. This does not include the $3.50 a share to be paid June 1, 1936, which will reduce the arrears to $31.50 a share.

Taking into consideration only a full year's dividend of $7 a share on the preferred, earnings on the common were the equivalent of 74 cents a share. This compares with 58 cents a share in the 9 months ended March 31, 1935, and 54 cents a share for the 1933-34 years.

Outside of the increase in working capital, the major change in the balance sheet is due to issue of $1.2 millions of 4 per cent serial bonds to replace former 6 per cent bonds. The refinancing operation has created $92,425 of deferred charges from discount on bonds sold and premium on the bond redemption. This after $7,702 was written off the item.

In 1935 the company wrote off, out of surplus, all organization expenses and the former bond discount totalling $299,752.

Income and Surplus Account

	12 mos. ended Mar. 31, 1936 $	9 mos. ended Mar. 31, 1935 $
Net earnings	733,181	586,583
Less: Depreciation	125,435	92,222
Bond interest	62,766	52,246
Bk. & other int.	11,355	27,332
Bd. prem. & disct. w/o	7,702	......
Prov. for corp. & income tax	98,891	67,152
Net profit	427,032	327,631
Less: Curr. pfd. divs.	206,724	155,043
Arrears pfd. divs.	103,362	103,362
Surplus for year	116,946	69,226
Add: Previous surplus	751,365	981,891
Less: Organ. exps. & bd. disct. w/o	......	299,752
Surplus forward	868,311	751,365
Working Capital		
Current assets	4,206,074	4,228,165
Current liabilities	921,676	1,075,902
Working capital	3,284,398	3,152,263

Fernie Brewing Co.

Fernie Brewing Co. profits were a little larger in 1935 than in 1934 and it was therefore able to pay a dividend of 50 cents a share on 32,752 shares of $10 par value. Another dividend of 60 cents a share, payable July 2 to shareholders of record June 17, has been declared.

Profit and Loss Account
Year Ended Mar. 31

	1936 $	1935 $
Profit	29,010	21,566
Less: Dividend	16,376	......
Surplus	12,634	21,566
Add: Prev. surplus	21,694	......
Balance carr. for'd.	34,328	*21,694
*Adjusted.		
Working Capital		
Current assets	97,859	120,699
Current liabilities	13,303	18,495
Working capital	84,556	102,204
Ratio	7.38—1	6.55—1

Sterling Coal Co.

Annual report of Sterling Coal Co., Toronto, and its subsidiary, Conger-Lehigh Coal Co. for the year ended March 31, 1936, shows considerable improvement in earnings. As a consequence, the company reduced outstanding bonds by $88,500 to $579,000 without reducing working capital materially.

Col. F. H. Deacon, president, states in the report that sales of Conger-Lehigh Coal Co. have shown "a gratifying increase" and that "definite progress has been made" in the marketing of Nova Scotia Coal over the Toronto dock operated on a joint ownership basis with Dominion Coal Co. Storage plant at Cobourg, Ont., for distribution of Sunoco gasoline was completed Nov. 1, 1935. Results have been up to expectations, Col. Deacon states. "The full benefit derived from its operation," he says, "should be reflected in the coming year's earnings."

Income and Surplus Account
Years Ended March 31

	1936 $	1935 $
Net oper. profit	94,849	48,983
Add: Int. & divs.	3,802	4,943
Rentals	4,551	6,741
Disposal of assets	......	8,315
Sale of invest.	......	11,618
Profit on bds. red.	13,948	13,899
	117,150	94,499
Less: Directors' fees	2,483	2,917
Exec. salaries	22,785	......
Legal fees	761	......
Income tax	3,000	......
Bond interest	37,893	39,855
Depreciation	29,926	42,168
Loss on assets	4,518	......
Net profit	15,784	9,559
Add: Prev. surplus	58,531	180,222
Less: Bond disc. w/o	......	131,250
Surplus forward	74,315	58,531
Working Capital		
Current assets	403,745	419,352
Current liabilities	128,834	107,830
Working capital	274,911	311,522
Ratio	3.14—1	3.89—1

Consolidated Paper

Consolidated Paper Corp.'s net operating income for the year ended March 31, 1936, shows a sharp advance over that reported in the previous twelve months. Net revenue, after providing for certain charges, amounted to $3,137,438, or an increase of 50 per cent over that reported in 1935. Following its usual practice, the balance of income after interest and carrying charges, was applied to depreciation. The latter reserve amounted to over $2.2 millions in the past year, an increase of over 100 per cent.

The balance sheet shows a reduction in current bank loans from $4.5 millions to $2.7 millions. Special bank loans show no change, while the Montreal Trust Co. loan has been reduced from $358,318 to $336,722. In addition, certain capital liabilities amounting to $152,592 were liquidated during the year.

The underlying debt of Wayagamack News and Ha-ha Bay Land and Building Co. was reduced from $1,038,654 to $864,414.

In connection with the company's own funded debt, sinking fund payment of $631,248, due on March 1, 1936, was not made.

Income and Surplus Account
Years Ended March 31

	1936 $	1935 $
Gross oper. profit	3,238,897	......
Investment income	66,786	......
Total income	3,305,683	......
Less: Exec. salaries	155,400	......
Legal fees	12,845	......
Net revenue	3,137,438	*2,089,907
Less: Directors' fees	2,100	2,080
Bank interest	581,695	632,200
Sub. bond int.	44,714	53,476
Carrying charges	239,480	285,168
Depreciation	2,269,449	1,116,982
Balance	......	......

*Including $72,662 profit from sale of investments.

Working Capital

	1936 $	1935 $
Current assets	10,983,437	10,089,143
Current liabilities	13,472,724	15,460,286
Working capital	2,489,287	5,371,143

Thrift Stores

Although showing a reduction in total sales of nearly $4.7 millions to $4.4 millions at the end of March, 1936, Thrift Stores Ltd., reports a moderate improvement in net results, net income after all charges and depreciation showing a deficit of $1,051 as compared with $32,800 in the previous year.

Last year there was a profit from operations of $13,877, as against a loss of $16,442 in the previous twelve months. The showing would have been even more favorable had it not been for a substantial increase in special taxes imposed by the City of Montreal on chain store operation.

Consol. Income and Surplus Account
Years Ended March 31

	1936 $	1935 $
Net oper. earnings	13,862	*18,387
Add: Other income	1,779	3,070
Less: Depreciation	14,929	16,358
Directors' fees	705	1,125
Legal fees	1,059	......
Net loss	1,052	32,800
Add: 1st pref. divds.	......	16,709
2nd pref. divds.	......	6,300
Common divds.	......	4,000
Deficit for year	1,052	59,809
Less: Previous surplus	87,086	150,089
Add: Prior year's inc. tax	......	3,194
Surplus forward	86,034	87,086

*Loss.

Associated 'Phone

Associated Telephone and Telegraph Co. reports a gross income of $1,057,335 in 1935, a slight decline from that reported in previous year. Owing to a reduction in general interest charges, net income for the year of $143,206 was about $132,000 greater than in 1934. Earnings on the first preferred stock were $1.78 a share, as against 11 cents a share in 1934.

The balance sheet shows book value of investments in associated companies at $23.5 millions as against $27.2 millions at the end of 1934. During the year bank loans of $2.1 millions were liquidated.

Income and Surplus Account
(Non-consolidated)
Year Ended December 31

	1935 $	1934 $
Income from:		
Dividends	621,658	874,221
Interest	318,086	149,671
Miscellaneous	596	47,666
	940,340	1,071,558
Other income	116,995	13,234
Total earnings	1,057,335	1,084,792
Oper. exp. and taxes	161,118	178,720
	896,217	906,072
Int. on funded debt	628,633	643,581
General interest	65,727	195,161
Amort. of debt disc.	58,651	58,314
Net income	143,206	9,016
Surplus beginning of period	......	221,044
Profit on sale of invest. & on debs. reacquired	......	448,050
Transfer from capital surplus	......	2,208,743
	143,206	2,836,853
Surplus write-offs	......	2,836,853
Surp. at end of period	143,206	nil

Outlook for United Steel Said Better

Many Queries at Meeting — Standard Steel Dividend Hope

GARDINER DIRECTOR

Information additional to that contained in annual reports was given to shareholders at the recent annual meeting of United Steel Corp., Toronto, which controls Standard Steel Construction Co.

P. R. Gardiner of Gardiner, Wardrop & Co., Toronto Stock Exchange firm, explained that the investment by United Steel of $668,532 in "subsidiary company" represented some 80,000 common shares of Standard Steel. Mr. Gardiner, who was elected a director at the meeting in place of F. R. Graham, Montreal, said it was hoped that a dividend of 50 cents a share would be received from the holdings in Standard Steel within 12 months.

Outlook Better

T. J. Dillon, president and general manager, stated the outlook for the company has improved considerably. Better orders are on hand or in sight from South America and Canada.

Standard Steel, he said, had higher bookings on hand than for several years. He indicated that Standard Steel was showing a distinct trend toward recovery of 1928 and 1929 volume.

Shareholders' Suggestions

One or two shareholders suggested the allowance of $20,447 for depreciation in 1935 was inadequate and that total depreciation was only slightly more than one per cent of plant assets. Mr. Gardiner stated that the charging of only small amounts now would leave assets at a comparatively substantial figure and that this would leave room for larger depreciation charges and savings in income taxes if, and when, earnings rise.

Murray Brown, a shareholder, suggested that it might be stated in the annual report as to what proportion the depreciation actually charged bears to what would be considered normal depreciation. He also suggested that quarterly earnings reports be supplied to all shareholders, but Mr. Gardiner said that the company's business did not run along steadily, that large orders might distort comparative figures, and therefore did not think it would be valuable to issue quarterly statements. Mr. Brown requested that directors be listed in the annual report and Gordon Hanson, of Hanson Bros. Inc., Montreal, suggested that the company list its products in the report. Mr. Dillon indicated these suggestions would be followed.

The Financial Post Quoted

One shareholder quoted The Financial Post's report last week of reasons for redemption and then reissue of class B preferred shares and asked whether it emanated from the company's office. The accuracy of the report was not denied, but Mr. Dillon signified that it did not originate from the company offices.

Minutes of the meeting last year added to the explanation of changes in class B preferred stock. At last year's meeting, it was stated in response to shareholders' enquiries that the class B preferred was redeemed in preference to the A preferred because the B could be redeemed at $94 a share whereas the A would have had to be redeemed at a premium.

Alleged Position

The minutes of last year's meeting carry statements to the effect that the position of Dodge Manufacturing Co. was misrepresented prior to acquisition of the Dodge firm by United Steel. The Dodge subsidiary, Canadian Mead-Morrison Co., was described as "hopelessly insolvent." On this ground it was stated that another reason for redeeming United Steel B stock, in preference to the United Steel A preferred, was because in the issue of A preferred for Dodge shares investors had obtained value that was not warranted.

After conclusion of the meeting, one shareholder suggested that the time and date of meetings be altered. Last year, he said, the meeting fell on Easter Monday, and this year it was at 12 noon, May 23, immediately prior to a holiday week-end.

Some 180,000 shares were represented at the meeting by proxy and over 2,000 in person. About a dozen shareholders were present.

Inter. P. and P.

International Paper and Power Co.'s consolidated net loss for the first quarter of 1936, excluding returns of International Hydro-Electric System and subsidiaries, amounted to $402,674, as against $1,068,995 for the corresponding three months of 1935.

Sales and other income for the period totalled $25.7 millions, an increase of $5 millions over that of a year ago.

The larger sales are reflected in an increased cost of materials, shipping and administrative expenses. However, net income of nearly $2.5 millions shows an increase of about $475,000 over that for the first quarter of 1935.

Particulars of the consolidated profit and loss accounts follow:

Statement of Consolidated Profit and Loss
Three Months Ended March 31

	$	$
Sales and Other Income:		
Gross sales	25,520,335	22,487,148
Other income	229,803	228,024
	25,750,139	22,775,172
Cost and Expenses:		
Cost of sales:		
Pulpwood, labor, materials, etc.	15,822,919	13,859,333
Main. and repairs	1,718,667	1,358,707
Taxes	513,822	488,459
Freight expenses	3,546,324	3,055,604
Selling, gen. & adm.	1,500,057	1,840,890
Prov. doubtful accts.	156,815	156,909
	2,491,533	2,015,270
Deductions:		
Int. on funded debt	921,719	963,589
Int. on other debt	233,965	226,747
Debt discount	85,748	97,233
Depreciation	1,174,025	1,316,342
Depletion	167,893	187,337
Prov. inc. taxes	131,165	95,968
Divds. accr. but not being cur. paid on pfd. stks. of subsid.	179,695	177,050
Net Loss	402,674	1,068,995

Printing and Publishing Lags Behind in Profits

The National City Bank in its May bulletin on economic conditions refers to the improvement in U.S. business and profits in the first quarter of 1936 as compared with 1935. The report covers 245 industries. There has been an average increase of 42 per cent, the highest being merchandising with an increase in profits of 594 per cent. Petroleum comes next with 204 per cent. In autos, General Motors increased its profits 66 per cent but the average of the other companies was higher at 85.5 per cent. Paper shows an increase of 30 per cent but printing and publishing is the second lowest of all at only 6 per cent.

Metal Prices

New York—May 26—
Copper: Electrolytic spot and future, $9.50.
Silver: 44¾c.

London—May 26—
(Long Ton)—
Copper: Electrolytic spot, £41; future, £41 2s. 6d. Standard spot, £36 13s. 9d.; future, £37.
Tin: Spot, £201; future, £196 5s.
Lead: Spot, £13 12s. 6d.; future, £15 13s. 9d.
Zinc: Spot, £14 5s.; future, £14 11s. 3d.
Gold: 139s. 8d.
Silver: 20d.

Canada—May 26—
Gold: $34.87.

DUNCANSON, WHITE & CO.
STOCK BROKERS
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STOCK AND BOND MARKET QUOTATIONS

This table is confined to official prices for listed stocks. Where no recent transaction has taken place on stock exchanges, the latest available bid and asked quotations are given to indicate the current level of prices. For unlisted stocks, for which transactions are not officially recorded, bid and asked quotations by unlisted dealers are published under "Unlisted Stocks" on this page.

Montreal, Toronto, Curb

WEEK ENDING MAY 25

Range 1936 High	Low	Div R'te $	May22 Y'ld %		Sales	Last May 18	Week end. May 25 H	L	Cl'se
				A					
2.50	1.25			Abitibi	1212	1.55	1.75	1.40	1.55

Government Bonds

(Furnished by Toronto Bond Traders' Assoc.)

May 27, 1936

Dominion of Canada Bonds

			Bid May 27	Asked May 27	Approx. Yield	Bid May 20
Dominion	2	15 Oct. 1936	100.20	100.55	.55	100.20
Dominion	5	15 Nov. 1936	101.50	102.00	.68	101.60
†‡Dominion	5	1 Mar. 1937	103.35	103.80	...	103.50
‡Dominion	5½	1 Dec. 1937	107.25	107.55	.47	107.35
Dominion	2½	15 Oct. 1939	103.00	103.50	1.44	103.00
Dominion	4	15 Oct. 1939	107.85	108.35	1.49	107.85
Dominion	2	15 Nov. 1939	101.50	102.00	1.40	101.50
Dominion	4½	1 Sept. 1940	110.00	110.50	1.93	110.15
Dominion	5	15 Nov. 1941	113.25	113.75	2.30	113.30
Dominion	3	15 Oct. 1942	104.75	105.25	2.12	104.75
Dominion	2½	1 June 1943	102.35	102.85	2.06	102.50
Dominion	5	15 Oct. 1943	114.25	114.75	2.79	114.30
Dominion	4½	15 Oct. 1944	112.50	113.00	2.75	112.50
▪Dominion	2½	15 Aug. '43-45	98.75	99.25	2.58	98.65
Dominion	4	15 Oct. '43-45	108.50	109.00	2.64▲	108.50
Dominion	4½	1 Feb. 1946	112.50	113.00	2.95	112.50
Dominion	3½	15 Oct. '44-49	103.90	104.40	2.90▲	103.80
Dominion	4	15 Oct. '47-52	107.50	108.00	3.17▲	107.25
Dominion	3	1 June '50-55	98.75	99.25	3.05	98.65
Dominion	4½	1 Nov. '46-56	109.75	110.25	3.33▲	110.35
Dominion	4½	1 Nov. '47-57	109.75	110.25	3.42▲	109.85
Dominion	4½	1 Nov. '48-58	110.10	110.60	3.45▲	110.00
Dominion	4½	1 Nov. '49-59	110.20	110.70	3.50▲	110.15
▪Dominion	3¼	15 Jan. '56-61	100.65	101.20	3.17▲	100.80
Dominion Guaranteed Bonds						
*G. T. P. Ry.	3	1 Jan. 1962	99.50	100.50	2.97	99.25
Can. N. Ry.	3	1 May 1944	103.00	104.00	2.45	103.00
Can. N. Ry.	3	15 Dec. '45-50	98.50	99.50	3.04	98.50
Can. N. Ry.	3	15 Feb. '48-53	97.75	98.75	3.09	97.75
*Can. N. Ry.	4½	1 Sept. 1951	113.75	114.50	3.30	113.75
*Can. N. Ry.	4½	1 Feb. 1956	114.00	114.75	3.47	114.00
†Can. N. Ry.	4½	1 July 1957	111.50	112.50	3.65	111.25
*Can. N. Ry.	4¾	15 June 1955	116.75	117.50	3.50	116.50
Can. N. Ry.	5	1 Feb. 1954	116.25	117.25	3.68	116.00
*Can. N. Ry.	5	1 July 1969	116.75	117.75	3.06▲	116.75
*Can. N. Ry.	5	1 Oct. 1969	118.75	119.75	3.45▲	118.50
*M. Harb. C.	5	1 Nov. 1969	119.00	120.00	3.43▲	119.00
Provincial Government Bonds						
Eastern—						
N. Bruns.	4	1 Sept. 1954	104.75	105.50	3.59	104.50
†N. Bruns.	4½	15 Apr. 1961	109.50	110.50	3.84	109.25
†N. Bruns.	5	15 Jan. 1960	115.00	116.00	3.96	114.50
N. Scotia	3	2 Sept. 1945	99.50	100.50	2.94	99.50
N. Scotia	4½	15 May 1943	108.00	109.00	3.06	108.00
†N. Scotia	4½	15 Sept. '47-52	109.50	110.50	3.39▲	109.75
†N. Scotia	5	1 Mar. 1960	116.00	117.00	3.90	116.00
*Ontario	4	1 June 1962	105.25	106.25	3.62	105.00
*Ontario	4½	1 Sept. 1944	110.50	111.50	2.95	110.50
Ontario	4½	1 June 1950	109.50	110.50	3.57	109.00
*Ontario	4½	15 Jan. 1962	110.00	111.00	3.83	100.50
Ontario	5	15 Oct. 1948	112.25	113.25	3.67	112.00
*Ontario	5	2 Dec. 1960	117.50	119.00	3.81	117.00
Ontario	5½	1 July 1946	114.50	116.00	3.65	114.50
O. H. C.	3½-4-5	1 Oct. '33-52	102.00	103.00	4.21•	101.75
Ont. Hyd. C.	4¾	1 Jan. 1970	112.00	113.50	4.02	111.50
P. E. I.	3	1 Oct. 1945	99.50	100.50	2.94	99.00
Quebec	4	15 Mar. 1952	107.25	108.25	3.33	107.25
Quebec	4¼	1 Aug. 1958	110.00	111.00	3.53	110.00
Quebec	4½	2 Jan. 1963	112.00	113.00	3.73	112.00
Western—						
Alberta	4	15 Dec. '49-54	73.00	76.00	6.16	72.00
†Alberta	4	1 Dec. 1957	75.00	78.00	5.78	73.00
Alberta	4½	1 Oct. 1951	81.00	82.50	5.83	80.00
†Alberta	4½	1 Oct. 1956	78.00	80.00	6.24	76.50
†Alberta	5	1 Jan. 1948	81.00	83.00	7.12	79.00
Alberta	5	1 Sept. 1955	78.00	80.00	6.87	77.00
*Alberta	5	1 Oct. 1959	80.50	82.00	6.50	78.00
†Alberta	5½	1 Jan. 1947	82.00	85.00	7.41	81.00
Alberta	6	1 Mar. 1947	82.00	85.00	8.08	79.00
†Brit. Col.	4	1 Dec. 1957	90.00	92.00	4.58	89.00
*Brit. Col.	4½	15 Jan. 1951	94.50	96.50	4.83	94.00
†Brit. Col.	4½	1 Oct. 1953	93.50	95.50	4.89	93.50
†Brit. Col.	5	15 Jan. 1948	97.00	98.50	5.17	96.00
Brit. Col.	5	1 Sept. 1953	95.00	96.50	5.31	95.00
Brit. Col.	5½	1 Feb. 1945	96.50	97.50	5.86	95.50
Brit. Col.	6	15 Feb. 1947	97.00	98.50	6.19	96.50
Manitoba	5	2 Jan. 1950	98.00	99.50	4.05	97.00
†Manitoba	4	1 Dec. 1957	98.50	100.00	4.00	98.50
†Manitoba	4½	15 Dec. 1956	101.50	102.50	4.32	100.50
†Manitoba	5	15 June 1954	105.50	106.50	4.48	103.50
*Manitoba	5	2 Dec. 1959	106.00	107.50	4.48	106.00
Manitoba	5½	1 Oct. 1955	105.00	106.00	5.01	104.50
Manitoba	6	1 Apr. 1947	106.25	107.25	5.12	106.00
Sask.	4	15 Aug. 1953	87.00	88.00	5.03	86.00
Sask.	4	1 Nov. '55-60	86.50	87.50	4.86	85.00
*Sask.	4½	2 July 1945	96.00	97.50	4.84	96.00
†Sask.	4½	1 Oct. 1951	93.50	95.00	4.96	93.25
†Sask.	4½	15 Mar. 1960	92.00	94.00	4.93	92.00
Sask.	5	1 Aug. 1958	96.00	97.50	5.19	95.50
†Sask.	5½	15 Nov. 1946	99.00	100.50	5.44	98.00
Sask.	5½	1 Oct. 1952	99.00	100.50	5.45	98.00
Sask.	6	15 Mar. 1952	101.00	102.50	5.76	100.00
Municipal Bonds						
†Calgary	5½	2 June 1944	....	80.00	9.00	....
†Edmonton	5½	1 Nov. 1945	78.00	83.00	8.12	78.00
†Halifax	5	1 July 1961	113.50	114.50	4.08	112.00
Hamilton	5	1 May 1950	108.75	110.75	3.98	108.75
Montreal	5	1 Mar. 1945	103.75	104.50	4.39	104.50
Ottawa	4½	1 July 1945	108.00	110.00	3.21	108.00
†Quebec	5	1 June 1959	106.50	107.50	4.48	107.00
Regina	5	1 July 1944	80.00	85.00	7.49	80.00
St. John	5	15 Dec. 1950	109.00	110.00	4.10	108.00
†Toronto	4½	1 Jan. 1955	109.00	111.00	3.68	109.00
Vancouver	5	1 June 1969	79.00	85.00	6.05	79.00
Victoria	5	21 July 1945	86.00	90.00	6.53	86.00
Winnipeg	5	1 Mar. 1944	104.00	106.00	3.97	102.00

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. •Calculated to maturity although callable prior to that date. ‡Exempt from Dominion income tax. ▪Payable in N.Y.

Corporation Bonds

(Furnished by Toronto Bond Traders' Assoc.)

May 26, 1936

Public Utility Issues:	Int. Rate	Due	Bid May 26	Asked	Bid May 19
‡Avalon 'Phone.	5½	'48	101	...	101
Beauharnois	5½	'73	81	84	81½
Do.	5	'73	26	29	26½
*Bell T'phone	5	'55	114½	117½	114½
*Do.	5	'57	119	122	119
†B. C. Power	5	'60	103	106	103
†Do.	5½	'60	105	108	105
†B. C. T'phone	5	'60	105½	108½	105½
†Calgary Pwr.	5	'60	96	99	96
Do.	5	'64	93	96	93
†Can. Nor. Pr.	5	'53	103½	106	103½
Dom. Gas	6½	'45	89	92	90
§Duke-Price Pr.	6	'66	105	106	105
*Gatineau Pwr.	5	'56	97½	100	97½
*Do., A	6	'41	90½	93½	89½
*Do., B	6	'41	89½	92½	89
*Int'l. Hydro	6	'44	40	43	40
Do.	6	'57	95	98	..
Do.	6½	'57	98	101	..
†Maclaren-Que.	5½	'61	80	83	81
Do.	5½	'61	79	82	80
*Manitoba Pwr.	5½	'51	79	82	80
†Mtl. Island Pr.	5½	'57	103½	106½	103½
†Mont'l. Tram.	5	'55	84	87	84½
†Do.	5	'41	101½	104½	101½
Nat'l. L. & P.	6	'49	96	99	95½
†N.S. L. & Pr.	5	'58	105½	108	..
†Ottawa Light	5	'57	106½	109	106½
†Ottawa Val. Pr.	5½	'70	77½	80½	78
†Power Corp.	4½	'59	94½	97½	95
*Quebec Pwr.	5	'68	104	107	104
†Shawinigan	4½	'70	103	105½	103
†S. Canada Pr.	5	'55	105½	108½	105½
†United Secs.	5½	'52	82½	85½	82½
*Winnipeg Elec.	6	'54	81½	84½	82
Industrial and Realty Issues:					
Abitibi Pwr.	5	'53	43½	46½	44
†Acadia Sugar	4½	'55	100	103	100
†Alta. P. Grain.	6	'46	98	101	98
‡Asbestos Corp.	5	'42	102½	...	102½
B. A. Oil	4	'45	104	106	104
Can. Biscuit	6½	'46	25	28	22½
Canada Bread.	6	'41	108½	111½	108½
†Can. Cement	5½	'47	105½	108	105½
†Can. Paper	6	'45	102½	...	102½
‡Can. Ss. Lines	5	'43	102½	...	102½
Do.	6	'41	58	61	58½
†Can. Canners	6	'50	105	106	105
*Can. Int. Pap.	6	'49	84½	87½	84½
C. P. R.	4½	'44	100	103	100
Do.	3½	'51	94½	97½	95
Do.	4	'49	103½	106	103½
Can. Rail & H.	6½	'51	61	64	62
†Can. Vickers	6	'47	87½	90½	88½
Cons. Paper	5½	'61	34½	37½	32
†Dom. Canners.	6	'40	113½	114½	113½
†Dominion Tar.	6	'49	104½	106½	104½
†Donnacona P.	5½	'48	71	74	67½
†East. Dairies	6	'49	84½	87½	84½
†Fam. Players	6	'48	105½	106½	105
†Do.	6½	'48	105½	106½	105
†Federal Grain.	6	'49	99½	102½	99½
Fraser Cos.•	6	'50	109½	112	109½
†G. Steel Wares	6	'52	100	103	100
Gt. Lakes Pap.	6	'50	51	54	51
†Gypsum, Lime.	5½	'48	95½	98½	95½
Ham. Cotton	5½	'48	102	105	102
*Hinde & Dauch	5½	'48	102½	105½	102½
Inter City Bak.	5½	'48	103	...	103
Lake St. John P. & Pa.	6½	'47	95½	98½	95
†Lon. Can. Inv.	4½	'48	89	92	89
London Rlty	6	'50	96	100	95
†Massey-Harris.	5	'47	89	92	89½
McColl-Front.	6	'49	104½	106½	104½
†Mercury Mills.	5½	'53	63	66	63
Met Building	7	'44	100	...	100
M. & O. Paper	6	'45	31½	34½	31
Mtl. Dry Docks	6	'48	...	83	80
N. Ont. Bldg.	6½	'39	96	100	96
Ontario Bldg.	6½	'43	30	33	30
Price Bros. bds.	6	'43	124½	126½	124½
*Prov. Paper	5½	'47	101½	104½	101½
Queen's Hotel.	6	'47	94	97	94
*Reliance Gr.	6	'48	103½	106½	103
Restigouche	5½	'48	98½	101½	...
Rich. B. Bldg.	6½	'47	98	101	98
‡Riordon Pulp	6	'42	104½	...	104½
Ritchie Cut Stone	6½	'48	95	...	95
†Rolland Paper.	5½	'48	104½	107½	104½
Ruddy & Co.	6½	'48	98½	101½	99
†Simpsons Ltd.	6	'49	104½	107½	104½
†Smith, How'd.	5½	'53	104½	107	104
‡Steel of Can.	6	'40	112½	115½	113
United Corpns.	5	'53	94	97	94
United Gas	5½	'48	99	102	...
United Grain.	5	'48	98	101	98
Do.	5½	'49	102	105	102
Zimmerknit	6	'51	99½	...	99½

‡Payable in Canada or U. K. †Payable in Can., U. S., or U. K. §Payable in U. S. only. *Payable in Can. or U. S. •Unstamped.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

May 23, 1936

INDUSTRIAL STOCKS:	Bid	Asked
Acadia Sugar com.	4.10	4.45
Do., pfd.	4.70	5.00
Acme Farmers Dairy pfd.	38.00	40.00
Algoma Steel new com.	...	48.00
Do., new pfd.	59.00	62.50
Andian National	46.50	49.00
Assoc. Tel. & Tel. pfd.	40.00	45.00
B. C. Pulp & Paper com.	.40	1.00
Do., pfd.	7.00	8.50
Burns & Co. A	9.50	10.50
Do., B	5.10	5.80
Canada & Dom. Sugar	60.00	63.00
Canada Paper pfd.	108.00	115.00
Canada Starch pfd.	92.50	96.00
Canada Tea pfd.	34.00	...
Can. Tube 1st pfd.	46.00	...
Can. Wire & Cable pfd.	101.50	...
Can. Industries A com.	218.00	225.00
Do., B com.	217.00	222.00
Do., Pfd.	157.00	160.00
Can. Ingersoll Rand	...	117.00
Can. Power & Pap. Inv. pfd.	5.00	8.00
Can. Westinghouse	...	61.50
Chase, A. W., pfd. bonus	25.00	28.50
Conduits Nat. new com.	2.75	3.25
Dom. Found. & St. c. (new)	35.00	40.00
Do., pfd. (new)	88.00	92.50
Dom. Rubber pfd.	98.00	101.00
Dunlop Tire pfd.	65.00	70.00
Edm. City Dairy pfd.	60.00	....
Federal Grain com.	2.00	3.00
Do., pfd.	48.50	54.00
Goderich Elevator	9.50	....
Greening Wire pfd.	103.50	106.50
Guelph Carpet pfd.	104.00	106.00
Do., com.	15.75	18.00
Highland Dairy com.	2.50	3.00
Do., pfd.	73.00	79.00
Inter City Bak. com.	22.00	25.00
McLaren Power com.	10.50	12.50
New Meth. Laun. pf. bonus	75.00	80.00
Ont. Tobacco Plant pfd.	30.00	34.00
Prov. Paper pfd.	98.50	100.00
Reliance Grain pfd.	85.00	88.00
Rob. Consol. Cone	8.75	9.25
Ruddy, E. L., pfd.	40.00	45.00
Silverwood's Dair. pfd.	42.00	44.50
Std. Fuel pfd. bonus	105.00	107.50
Supert. Pet. B pfd.	26.00	29.00
Toronto Carpet pfd.	32.00	...
Toronto Housing	...	12.00
United Steel A pfd.	5.50	6.00
Western Grain pfd. bonus	...	18.00
Willards Chocolates pfd.	14.00	...
TRUST & LOAN STOCKS:		
Chartered Trust	80.50	83.50
Guelph Ont. Inv. Sav.	46.50	51.00
London & West. Trust	54.00	57.00
Sterling Trust	36.00	...
Traders Fin. B pfd. bonus	80.00	85.00
Trusts & Guarantee	41.00	43.00
INSURANCE STOCKS:		
British America	43.00	46.00
Canada Life	525.00	...
Canadian Fire	75.00	80.00
Canadian Ins. Shares	12.50	14.00
Confed. Life 20% pd.	116.00	121.00
Cont. Life 20% pd.	35.00	40.00
Crown Life	110.00	...
Dominion Fire	112.00	120.00
Dominion Life 50% pd.	260.00	300.00
Dom. of Can. Gen.	116.00	123.00
Empire Life 25% pd.	7.00	9.00
Excelsior Life 30% pd.	69.00	73.00
Federal Fire 25% pd.	38.00	...
Fidelity Ins. of Can.	45.00	50.00
Great West Life	387.00	397.00
Guar. Co. of N.A., fully pd.	240.00	...
Halifax Fire	21.00	22.50
Imperial Life	335.00	...
Manufacturers Life	261.00	267.00
Monarch Life 10% pd.	20.00	21.50
National Life 25% pd.	48.00	53.00
Sovereign Life 25% pd.	15.00	18.00
Sun Life	400.00	430.00
Toronto General	4.50	5.00
Western Assur. com.	44.00	47.00
Do., pfd.	40.00	45.00
THEATRE STOCKS:		
Allens Beach pfd.	58.00	62.50
Do., Calgary com.	5.25	6.75
Do., Kingston pfd.	54.00	....
Do., Parkdale pfd.	50.00	55.00
Do., Toronto pfd. bonus c.	27.00	32.00
East. Theatres com.	4.00	5.25
Do., pfd.	75.00	80.00
Loew's London pfd.	2.50	3.50
Do., Toronto pfd.	111.00	115.00
Mansfield Theatre pfd.	30.00	....
Paramount Kitchener pfd.	42.50	....
Do., Oshawa pfd.	86.00	93.00
United Amusement A	...	20.00
Do., B	15.00	17.00
INVESTMENT TRUST SHARES:		
Can. Gen. Invest.	7.75	8.00
Can. Investors Corp.	6.50	7.75
Can. Int. Inv. Trust Units	56.00	....
Cons. Div. Std. Sec. Units.	13.00	15.00
Debenture & Sec. pfd.	51.00	....
Dom. Scott. Inv. Units	32.00	36.00
For. Power Sec. pfd.	13.00	15.50
Invest. Found. Units	49.00	52.00
Sec. Holding Corp. Units	21.50	25.00
United Corpns. A	22.00	23.00
Do., B	8.00	9.00
POWER ISSUES:		
Calgary Power pfd.	75.00	78.00
Can. Pub. Service pfd.	22.00	26.00
Can. West. Nat. Gas pfd.	94.00	97.00
Do., com.	20.00	24.00
Great Lakes Pwr. pfd.	88.00	92.50
Inter. Util. pfd.	78.00	....
Nor. Ont. Power pfd.	99.00	102.00
Nova Scotia L&P pfd.	98.50	102.00

Mining Stock Quotations

WEEK ENDED MAY 26, 1936

Par Val.	Range 1936 High	Low	Company	Sales	Close May 18 (or last)	High for week	Low for week	Close May 25

Unlisted Mines

May 26, 1936

	Bid	Asked
Albany River	.58	.60
Ardeen	.22	.24
Area	.05	.06
Athabaska	.20	.23
Athona (Gt. B. L.)	.47	.52
Bailor	.05¾	.06¼
Bankfield Gold	.69	.72
Bidgood Kirkland	1.97	2.00
Big Master	.39	.42
Blue Star	.40	.44
Bosquet Gold	.15½	.16½
Callinan	.11	.13
Can. Kirkland	.04¼	.05
Canusa Mining (new)	..	.60
Capital Rouyn (new)	.18	.20
Casey Contact	.06	.06½
Casey Summit	.29	.32
Central Porcupine	.43	.48
Chromium	2.25	2.35
Columario	.07	.07½
Cuniptau	.28	.30
Dunlop, new	.11	.13
Dorval Siscoe	.24	.26
El Bonanza	.08	.10
East Malartic	.50	.55
Frontier R. Lake	.15	.17
Gilbec	.08½	.09
Gillies Lake	.50	.53
Glenora	.41	.43
Gold Eagle	.78	.80
Goldside	.19	.20
Gordon Lebel	.38	.41
Golden Rose	1.55	1.60
Horseshoe	.07-	.08
Hudson Patricia	.34	.36
Hutchison Lake	.13	.15
Jellicoe	.29	.31
Johnson Nipigon	.06	.07
Kaw Crow	.30	.33
Kenogamisis	.15	.17
King Kirkland	.08½	.09½
Lapa Cadillac	.30	.33
Lafayette L. Lac	.05½	.06½
Lamaque Gold	4.20	4.30
Leitch Gold	.62	.65
Long Lac Lagoon	.15	.17
Manitoba Basin	.07	.07¾
Madsen Red L.	.48	.50
Magnet Lake	.14	.16
Matchewan Can.	.16	.17
May Spiers	.32	.34
McCarthy Webb	.28	.30
Mosher	.55	.57
Moffatt Hall	.14	.16
Moffatt Hall (new)	.50	.52
Murmac	.13	.15
North Shores	.04	.04½
Norlake	.28	.30
Oklend	.51	.53
O'Leary	.14½	.16
Opemiska	1.45	1.50
Oriole	.07	.08
Porcupine Gold R.	.06½	.07
Proprietary M.	.53	.56
Queen Lebel	.12	.13
Rice Lake	.07	.08
Sand River	.37	.40
Skookum	.26	.28
Smelter Gold	.11	.13
South Keora	.09	.10
Springer	.10	.12
Straw Lake	.14	.16
Sturgeon R. Gold	.55	.60
Wells Long Lac	.09	.10
Wendigo	.17	.19
W. Red Lake	.09	.10
West Side L.	.18½	.19½
Winoga	.40	.43
Young Davidson	.24	.27
Young Shannon	.20	.22

Listed Bonds

Week Ended May 25, 1936

	Int. rate	Due	High	Low	Range 1936 High	Low
Mtl. L. H. & P. Debs.	3	'39	51½	51	51½	50
McNish	6	'48	3.15	..	3.75	3.00

Silver Prices

Trading in Montreal

May 18 to May 22

	High	Low	Close	Contracts
May	45.35	44.66	45.40	3
July	45.85	45.35	45.60	5
Dec.	45.75	45.50	46.10	3

Winnipeg Stocks

(Transactions from May 18 to May 23)

	Sales	High for period	Low for period	Close May 23
Bailor Synd.	50	.60	.60	.60
Bailor Gold	16,300	.05½	.04	.05½
Cres. Cream.	15	35	33	35
Flin Flon	5,300	.22	.21	.20
Forty-Four	40	2.35	1.90	2.35
Gold Lake	9,400	.49	.47	.47
Gurney Gold	3,700	.55	.50	.50
Cons. Goldfields	7,000	.11	.09½	.11
Gt. Falls M. & S.	2,365	.10	.09	.10
Island Lake	5,700	.04½	.03¾	.04
Knee Lake	1,500	.04	.04	.04
Kingfisher	6,000	.02¾	.02	.02¾
Lafayette	4,400	.07½	.06½	.06½
Man. Jock. Club	2	110	90	90
Marvel Oils	1,500	.06	.06	.06
Oxford Mines	100	.25	.25	.25
Optic Lake	1,080	2.15	2.05	2.10
Ore Grande	6,300	.11½	.11½	.10½
Packsack	2,900	.20	.18	.20
Rice Lake	200	.10	.10	.10
Rice L. Units	7	4	4	4
Stovel Lake Syn.	175	1.35	1.25	1.35
Scattergood	5,400	.03	.03	.03
Scotia	3,500	.06½	.06	.06
United Grain	10	13	13	13
Wingold	23,300	.07½	.06½	.07
Wylie Dom.	3,650	.55	.45	.45
Wallace Lake	31,800	.05½	.03	.05

Stocks Not Traded in During Week

	Bid	Ask.
Beaver Fire Ins.	..	100
Can. Indemnity	131	..
Comm. Securities	..	10
Dom. Envelope	1	1½
Do., pref	90	..
Home Invest.	24	..
Northern Trust	8	9½
Traders Bldg.	71½	75
Traders Bldg.	71	..
West. Brew.	..	1.90

*Stocks more active on other exchanges not included.

Mining Dividends

	Rate	Close May 15	Yield %
Anglo-Huronian	20c	5.25	..
Beattie Gold	†5c	1.30	..
Bralorne	10+5	7.50	..
Buff. Ankerite	20c	7.75	2.6
Bulolo Gold	2.60	33.00	8
Cariboo	10c	1.48	6.7
Coniagas†	12½c	3.50	..
Dome Mines	$2+$2	58.00	6.9*
Falconbridge	30c	8.00	3.7
Hollinger	65c+25c	15.37	5.8*
Howey Gold	5c	.80	..
Hudson Bay	$1	27.50	..
Int. Coal & Coke‡	1c	.20	..
Inter. Mining	60c	11.00	5.4
Int. Nickel, c.	$1.20	47.00	2.5
Kirk. Lake‡	3c	.51	..
Lake Shore	$4	58.87	6.8
Macassa	15c	3.85	..
McIntyre	$2	44.25	4.5
McKenzie R. Lake	†3c	1.64	..
McKinley Sec.	2½c	.63½	..
McWatters Gold†	5c	1.39	..
Nipissing	25c	2.50	..
Nor. Can. Mining	2c	.44	..
Noranda	$2	54.75	3.6
Pickle Crow†	5c	5.80	..
Premier	12c+1c	2.35	5.5*
Pioneer, B.C.	80c	9.00	8.9
Reno	12c	1.32	9.1
San Antonio	21c	2.30	9.1
Siscoe	20c	3.50	5.7
So. Amer. Gold	30c	4.85	6.2
Sylvanite	20c	2.55	..
Teck-Hughes	40c	5.00	7.8
Toburn	8c	1.30	6.2
Ventures	†2½c	1.90	..
Wright-Har.	40c+20c	8.00	7.5*
Ymir Yankee	†2c	.63	..

‡Interim. †Initial. *Yield includes bonus.

Week in Wheat

Big World Shipments Remove Shortage Fears

Chicago Break of Local Nature Only, But Liverpool Weakness Transferred to Winnipeg — See Sharp Upward Swing Possible

From Our Own Correspondent

WINNIPEG.—Progressive weakness in wheat prices continued into the current week, bringing new lows on the resumption of business after the holiday on Monday. Only to a very limited extent was this connected with the break in Chicago on Tuesday, when the May future declined the full five cents a bushel allowed under trading rules for one day. That break simply meant the unwinding of a tight situation in the May delivery, which at one time seemed to threaten the establishment of a corner, through lack of wheat in available position in Chicago for delivery on the contract.

An artificially high price for the May contract, in relation to the July, had become established, but the situation was cleared up on May 25, the last day for trading in the contract. The artificial premium was largely swept away during the last few minutes of trading. Holders of the future liquidated instead of maintaining a position in which they would have to accept delivery.

Weakness at Winnipeg was largely a reflection of a softer tone at Liverpool. Larger world shipments of last week, over 10,000,000 bushels, of which nearly 6,000,000 bushels were put afloat by Canada for the United Kingdom and Europe, removed any immediate anxiety as to supplies on the part of importers. Some reselling of Canadian wheat previously acquired took place both in Liverpool and in Winnipeg.

Canadian shipments are predominantly from the Atlantic coast, and Vancouver is finding it very difficult to do any business, even though wheat is offered there at a considerable discount under the Fort William basis.

Watching Chicago

BECAUSE of the possibility of United States again becoming an exporter this fall after a year on an import basis, the Chicago market continues to be the most important influence affecting prices at Winnipeg and Liverpool. Probably the market at present is discounting the production of about 500 million bushels of winter wheat, and about 200 million of spring. Such would probably mean the export of some volume of wheat from the States. It need not necessarily mean the adjustment of all prices in that country to an export level. North Pacific Coast wheat and wheat immediately tributary to gulf ports might go on an export basis without bringing hard spring wheat to a corresponding level. In the meantime the market appears to be trying to assess the situation. U. S. prices would probably be decidedly higher if the conclusion should be definitely accepted that commercial export is unlikely while they would decline still further if production of any large export surplus should be accepted as established.

* * *

Australian Factor

AUSTRALIA'S wheat shipments last week of 1,875,000 bushels were only half those of the corresponding period of last year. But a year ago Australia was doing a heavy business with the Orient, which is not being repeated on anything like the same scale this year. Consequently the impact of Australian wheat on markets where it meets Canadian wheat in competition is greater than the figures by themselves would seem to indicate. Liverpool has been watching very closely the progress of seeding in Australia, and every report on precipitation of moisture has been regarded as a bearish factor. Such rains as have fallen have improved former prospects, but a large part of the country appears to be still suffering from a lack of sufficient moisture.

* * *

Argentine Indifference

CONTINUED indifference of Argentinue authorities to the total lack of wheat sales in Great Britain, and the almost total lack of them to the European continent, is a matter of some surprise to observers. Small as was the last Argentine wheat crop, it seems inevitable that some of it shall seek a European outlet during the remainder of the current calendar year. But there are some grounds on which it might prove the part of wisdom for Argentina to delay pressing her wheat on Europe. One of these lies in Argentina's practical monopoly of the market of Brazil, partly on account of easy access, and partly because millers bakers and consumers are accustomed to the Argentine product. They are said to prefer Argentine flour, because of its natural whiteness. Bleached flour is not allowed to be imported into or sold in Brazil. The latter is currently paying the Argentine guaranteed price. On the other hand if Argentine wheat was being currently pressed on the European market, the price of all wheat sold at this time would have to be reduced. Then, too, the government faces a problem in explaining to wheat farmers that the high price guaranteed on the current short crop cannot be repeated if the coming crop proves to be a big one. It may be easier, some observers suggest, to get producers to see the necessity of this if the government's losses on the guarantee are concentrated in a few months just before the problem of the new crop has to be faced.

* * *

U. S. Still Buys

HALF a million bushels or so a week of Canadian wheat are still being absorbed by United States mills for flour for use in that country. Assuming that U. S. requirements in the new crop year will be fully taken care of by domestic production, the precise date at which imports from Canada will cease cannot yet be calculated. Canadian wheat is subject to a duty of 42 cents a bushel, but that amount represents more than the full disadvantage at which it is placed in mills at Buffalo and other eastern centres. It has been moved to those centres at low freight rates, representing a smaller cost than transportation charges from the southwestern states, where the first supplies of winter wheat will become available in June.

* * *

Upward Swing Possible

BOTH France and Italy, although conceding prospective harvests well below those of last year, now claim a better outlook exists than was the case a few weeks ago. While some observers think the official statements too optimistic, the course of prices indicates no fear for supplies.

As the season approaches for reports of crop damage in North America, and fears for a wet harvest in Europe, it is possible for the market, in the event of these developing, to react sharply upward. It is also possible that the steady lightening of the load of Canadian wheat may yet, when it has continued longer, exercise some effect on market sentiment.

* * *

Argentine's Future

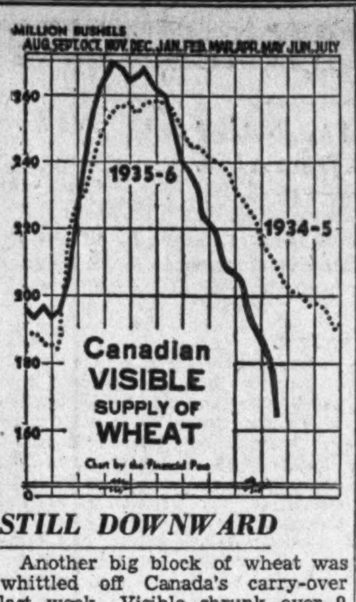
THERE is much interest in the future course of Argentine government policy on wheat. There are predictions that the public treasury may suffer a considerable loss as a result of the minimum price established on this year's crop. Lately export at a profit has been impossible except to Brazil, and to a small extent to other South American countries. Sooner or later it seems likely that the government commission will have to take a loss on 30 to 40 million bushels for which an outlet will be sought in Europe. Argentine wheat policy is mixed up with the government's manipulation of exchange, under which foreign exchange is bought from exporters at one rate and sold to importers at another. The profits on these transactions are supposed to be applied against losses on grain operations, but there are said to be increasing difficulties in the way of carrying on the exchange operations satisfactorily.

This year's high minimum price guaranteed on wheat is regarded as a decided incentive to farmers to seed a large an acreage as possible. That fact, coupled with ample precipitation during the seeding season leads to the expectation that Argentina's next wheat crop may be large. In that case there are likely to be price demands which the government will be unable to meet.

Prairie Census

The quinquennial census of the three prairie provinces will be taken June 1. There are 12 enquiries dealing with occupation, industry, industrial status, unemployment, and earnings of the gainfully employed population.

A special feature of the enquiry is the extensive questionnaire respecting wage-earners. Persons not working on June 1 will be asked to further report the reason and number of weeks since last employed.



STILL DOWNWARD

Another big block of wheat was whittled off Canada's carry-over last week. Visible shrunk over 9 million bushels bringing the total in merchantable positions down close to 165 millions. It was a big week, too, in export clearances with close to 7 million bushels moving out of the country.

Details are as follows:

Canadian Visible		
Week of May 22	Week Previous	Last Year
166,623,000	175,796,000	204,187,000
Export Clearances*		
6,680,750	4,802,105	3,796,694

* Plus U. S. imports.

DIVIDEND NOTICES

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid-up capital stock of this Institution has been declared for the quarter ending 30th June, 1936, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Thursday, the 2nd day of July, 1936, to shareholders of record of the 20th June, 1936.

By Order of the Board.
DUDLEY DAWSON,
General Manager.
Toronto, 14th May, 1936.

Canada Permanent Mortgage Corporation

Quarterly Dividend

Notice is hereby given that a Dividend of TWO PER CENT. for the current quarter, being at the rate of EIGHT PER CENT. PER ANNUM on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable

THURSDAY, THE SECOND DAY OF JULY

next, to Shareholders of record at the close of business on the Fifteenth day of June, 1936.

By order of the Board.
WALTER F. WATKINS,
Secretary.
Toronto, May 20th, 1936.

Dominion Textile Co. Limited

Notice of Preferred Stock Dividend

A DIVIDEND of One and Three Quarters per cent. (1¾%) being at the rate of 7% per annum has been declared on the Preferred Stock of DOMINION TEXTILE COMPANY, Limited, for the quarter ending 30th June, 1936, payable 15th July, 1936, to shareholders of record 30th June, 1936.

By order of the Board,
W. A. EVERSFIELD,
Asst. Secretary.
Montreal, May 20th, 1936.

Dominion Textile Co. Limited

Notice of Common Stock Dividend

A DIVIDEND of One Dollar and Twenty-five cents ($1.25) per share, has been declared on the Common Stock of DOMINION TEXTILE COMPANY, Limited, for the quarter ending 30th June, 1936, payable 2nd July, 1936, to shareholders of record of 15th June, 1936.

By order of the Board,
W. A. EVERSFIELD,
Asst. Secretary.
Montreal, May 20th, 1936.

SISCOE GOLD MINES LIMITED

Notice of Dividend No. 17

NOTICE is hereby given that a Dividend of Five Cents (5c) per share on the issued Capital Stock of Siscoe Gold Mines Limited has been declared payable on June 15th, 1936, to shareholders of record at the close of business on the 30th day of May, 1936. The stock transfer books of the Company will be closed from June 1st to June 15th inclusive for the purpose of the payment of the said dividend.

By order of the Board,
H. E. GREEN,
Secretary-Treasurer.
Montreal, 15th May, 1936.

DIVIDEND NOTICES

SOUTHERN CANADA POWER COMPANY LIMITED

Preferred Dividend No. 66

A DIVIDEND of one and one-half per cent (1½%) being at the rate of 6% per annum, on the PREFERRED STOCK of SOUTHERN CANADA POWER COMPANY LIMITED has been declared for the quarter ending June 30th, 1936, payable July 15th, 1936, to shareholders of record at the close of business on June 30th, 1936.

By order of the Board,
L. C. HASKELL,
Secretary.
Montreal, May 22nd, 1936.

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 280

A regular dividend of 1% has been declared by the Directors on the Capital Stock of the Company, payable on the 16th day of June, 1936, to shareholders of record at the close of business on the 1st day of June, 1936.

Dated the 23rd day of May, 1936.
I. McIvor,
Assistant-Treasurer.

The Montreal Cottons Limited

Notice is hereby given that a quarterly dividend of One and Three Quarters per cent (1¾%), being at the rate of Seven per cent (7%) per annum, has been declared upon the preferred stock of the Company, and cheques will be mailed on the fifteenth day of June next, to shareholders of record at the close of business on the 30th day of May, 1936.

By Order of the Board,
CHAS. GURNHAM,
Secretary-Treasurer.
Valleyfield, May 20th, 1936.

DIVIDEND NOTICES

The Sherwin-Williams Company of Canada, Ltd.

Notice is hereby given that the Ninety-third quarterly dividend of One and three-quarters per cent (1¾%) being at the rate of seven per cent (7%) per annum, for the quarter ending August 31st, 1934, on the Preferred Stock of the Company has been declared to shareholders of record the 15th day of June, 1936, and that cheques will be mailed July 2nd, 1936.

Books not closed.

By order of the Board.
P. W. HOLLINGSWORTH,
Secretary-Treasurer.
Montreal, Que.
May 7th, 1936.

Drop in Price Halts Enquiry In Machinery

M. P.'s Hail Cut in Imported Implements as Victory

THEY WATCH U. S.

From Our Own Correspondent

OTTAWA. — With the announcement by the implement companies of a reduction in the price of imported implements, in keeping with the budget cut in tariff from 12½ to 7½ per cent, the special Commons investigating committee is likely to fold up until 1937.

The extent to which the reduction in the price of imported implements will affect domestic price levels as a whole is uncertain, but the announcement is hailed by committeemen as an achievement justifying their activities and in all probability they will now rest on their oars for the balance of this session.

Watch U. S. Probe

The plan is to keep the investigation alive indefinitely. If the committee concludes for the session it will make it plain that a resumption of the enquiry next year is more than probable.

The committee is closely in touch with a major enquiry into the production of farm implements soon to begin at Washington. Congress proposes to spend a quarter of a million dollars on this job, and as the industries of the two countries are closely indentified, there may well be disclosures at Washington which will warrant a resumption, in 1937, of the Ottawa probe.

Price Down on Imports

Canadian manufacturers of farm implements and machinery have passed on to their customers the reduction made in the Canadian duty from 12½ to 7½ per cent on imports from the United States. Statements to that effect have been made to the agricultural committee of the House of Commons by both Massey-Harris Co. and International Harvester Co. The cuts are distinctly a sequel to the budget of May 1 and do not apply to machinery made in Canada.

The Massey-Harris Co. reductions range from $3 to $12 per unit. The following reductions are typical: $7 on a corn binder; $3 on a corn planter; $5 on cultivators; $12 on ensilage cutters; and $8.50 on potato planters. Most of the machinery sold in Canada by Massey-Harris Co. is made in its own Canadian plants. The same thing is true of Cockshutt Plow Co. which will probably pass on duty cuts on the few machines imported.

International Harvester Co. of Hamilton, however, has a list of 180 items on which the duty cuts would apply. Their cuts range from 50 cents to $15 per unit.

New Wheat

While seeding has been later than a year ago in Manitoba, it was slightly ahead of 1935 in Saskatchewan and Alberta. In all cases, however, it was behind normal.

Crop conditions over the whole western spring wheat territory are reported as generally good, though there is some scarcity of subsoil moisture in the central areas.

* * *

Outlook for the new crop in the Argentine is reported excellent, but as the seed is only now going in and winter, spring and summer are still to be faced before harvest starts in that country, this report must be regarded as decidedly preliminary.

* * *

Recent rains have materially improved the wheat seeding situation in Australia, but recent droughts have already retarded the growth to considerably behind normal.

* * *

It is now generally believed that early drought in the winter wheat belt of United States did not do as much harm as was anticipated. Confirmation, however, will await the official June 1 summary by Washington. In the spring wheat area in the northern United States, there have been some complaints of insufficient moisture, but generally the situation is reported as favorable.

* * *

While prospects are not considered as good as a year ago in Europe, recently the weather has been more favorable, and improvement in the general crop outlook has been noted.

* * *

Spring sowing has been backward in Russia, but the winter wheat crop is progressing favorably.

* * *

Owing to the lateness of the seeding season, it is now expected that there will not be any increase over a year ago in the wheat acreage in western Canada as there has been considerable switching of intended wheat acreage to coarse grains. The move was dictated, of course, by the fact that some coarse grains will mature more quickly than wheat or can be used as livestock feed whether they mature or not.

* * *

First cutting of 1936 new wheat was reported in southern Texas on May 15. This was from an extra early field, and the yield was estimated at 10 to 12 bushels per acre. General cutting is not expected until early June.

All of 1935 Crop Wheat Now Believed in Storage

With country deliveries down to less than 700,000 bushels for the week of May 23, as compared with well over a million bushels a year ago, it is now believed that practically the whole of the Canadian 1935 crop has entered commercial channels. This being the case, a much more rapid weekly decline in visible may be expected to offset the movement of wheat out of storage in Canada in the last few months has been offset to a considerable degree by country wheat coming in from the farms.

Timmins, Ont., is to seek permission from the Ontario Municipal Board to issue $200,000 of debentures for the purpose of paving streets, erecting a new town hall and other improvements.

Modern Machines Costlier But Westerners Want 'Em

The critical month of June draws near with crop prospects in Southern Alberta bright, writes our Lethbridge correspondent. There is a somewhat increased acreage to wheat; a considerable amount of it on new sod breaking, and perhaps 5,000 acres more sugar beets due to the opening this fall of the new sugar factory at Picture Butte.

This factory is being built by Canadian Sugar Factories, Ltd., the beet sugar subsidiary of the B.C. Sugar Refining Company of Vancouver, E. T. Rogers president. The acreage to beets is 19,000 and thinning is now in progress with an excellent stand. Given the normal amount of rain in June, this region should make a good average crop.

A new phase of agriculture this season, he continues, is the increased use of tractors. The power farm, of fiven fair size, is here and machinery firms have set up a record for tractor sales. Fully 50 per cent of the tractors going out are rubber-tired. They come possibly $300 higher but the saving in fuel and in wear is attracting the farmer.

Range conditions are improved, with sheepmen now busy lambing. The lamb crop is normal and with good prices prevailing and the Canadian taste for fresh lamb increasing, sheepmen are more hopeful. Shearing will get under way in June.

Rayon Situation Involved Before Importations Felt

From Our Own Correspondent

MONTREAL.—Over-production of rayon goods existed in Canada before Japanese-made imports began making serious inroads in the domestic market, according to an admission made by G. Blair Gordon, managing director of Dominion Textile Co., to Royal Commissioner W. F. H. Turgeon, delving into conditions of the Canadian textile industry.

That situation occurred, he said, when most of the domestic silk mills were switching their production from silk to rayon. It was not, however, over-production in the sense of building up of large stocks which could not be sold, but rather "a distressful price situation with merciless price cutting."

In regard to the meeting of members of the Canadian Primary Textile Institute with three Cabinet Ministers and Commissioner of Customs in Ottawa on January 14 last, the enquiry brought out the fact that the ministers suggested that the Japanese import situation was being used by the consuming trade in the country in order to drive prices of manufacturers down, but the government would do nothing until the domestic textile producers could bring proof of their claims against Japanese importation.

Bathurst Plan Development

Will Concentrate on Kraft Line — Build Up New Products

From Our Own Correspondent

MONTREAL.—Bathurst Power & Paper Co will continue to develop its kraft fourdrinier products and also work into the manufacture of other products in order to use its raw material resources to a greater extent than in the past, according to a statement issued by A. J. Nesbitt, head of Nesbitt, Thomson Co., which, with associates, has acquired control of the property from the Newsprint Bond and Share Co.

"Unification of the company's control in the hands of independent interests," said Mr. Nesbitt, "will have the effect of placing the whole organization upon a much more workable basis. In the past, while control was vested in the Newsprint Bond and Share Co., this company in turn was owned by six of the larger pulp and paper companies, this naturally having a tendency to restrict Bathurst marketing and manufacturing, aggressiveness and expansion.

"While there is a change in the control of the company, Bathurst will not only retain all its trade connections and selling outlets, but will have the advantage of affiliations which it did not have previously. This will hold true not only in domestic activities, but also in the growing markets in Great Britain and other parts of the Empire."

Webb Joins Company

In connection with the change of control, it is announced that J. Webb, comptroller of Canadian International Paper Co., has tendered his resignation and has accepted the appointment of vice-president and treasurer of Bathurst.

Mr. Webb entered the newsprint industry through joining the Riordan Co. in 1921, when it was in financial difficulties. He remained throughout the reorganization period and on acquisition of the property undertaken by the Canadian International Paper Co. in 1925, he was appointed to the position of financial comptroller.

Ottawa Gas Awarded Ottawa Coke Contract

From Our Own Correspondent

MONTREAL. — Ottawa Gas Co., subsidiary of Ottawa Light, Heat and Power Co., has been awarded a contract for supply of the city of Ottawa's coke for 1936. The agreement provides this company will supply the city with 1,500 tons of coke at $10.10 per ton.

Simpson Co. Plans Often Ere Acting

The Robert Simpson Co., Ltd., Toronto, plans alterations and additional stories for the store at 176 Yonge St., so state the newspapers. The cost is to be $750,000, they add.

Enquiries reveal that it would be nearer the truth to say that plans have been drawn for such alterations. But that does not mean much in itself because a large company like The Robert Simpson Co. is always having plans drawn for this and that. It has to think ahead for years and the plans which are drawn now may be discarded by the time it is necessary to act.

There is no immediate intention of the company adding stories to the Toronto store.

Iron and Steel Output Make Decided Gains

Reflecting greater industrial and construction activity, Canadian production of pig iron in April amounted to 54,045 long tons. This was about the same as in the previous month but up over 20 per cent over April, 1935. The total for March was 54,009 tons. During the first four months of 1936 the output of pig iron totalled 225,141 long tons compared with 169,790 and 82,332 in the same periods of 1935 and 1934, respectively.

Production of steel in April amounted to 107,220 long tons, a gain of six per cent over the March total of 101,092 tons and 57 per cent over April, 1935. The cumulative total for the first four months of this year was 401,902 tons compared with 241,902 in the same period of 1935 and 262,072 in 1934.

Beauharnois Power Calls June 25 Meeting

From Our Own Correspondent

MONTREAL.—Holders of Beauharnois Power Corp. 5 per cent collateral trust bonds are being notified that a meeting will be held in Montreal on June 25 for the purpose of forming a protective committee along the lines set forth at the May 1 meeting, which was adjourned owing to lack of a quorum.

When the committee is formed, it will co-operate with a similar body organized by the Beauharnois Light, Heat and Power Co. bondholders to investigate the situation created by cancellation of the company's contract with the Ontario Hydro-Electric Power Commission.

Wheat Prices

(Cash Quotations)

	For Week May 26 High	For Week May 26 Low	Prev. Week High	Prev. Week Low
At Winnipeg:	$	$	$	$
1 Man. Hard ...	.77⅞	.75⅛	.79½	.77⅜
1 Northern	.76¾	.73⅜	.78	.76¼
2 Northern	.74¼	.70⅞	.76	.73¾
3 Northern	.70⅞	.67⅝	.72	.70
4 Northern	.66	.62⅝	.67⅞	.65¼
5 Wheat	.59¼	.56	.62	.58¾
6 Wheat	.50¾	.47¾	.52¼	.50¼
Feed Wheat	.41¾	.38¼	.43	.41¼
Vancouver: Week to May 22:				
1 Northern	.75¼	.73¼	.76⅝	.75⅛

Competitive Export Prices:
(May) shipment.

	High Week to May 22	Low Week to May 22
No. 1 North. (Vanc.) ..	0.93¾	0.90⅝
No. 2 North. (Atlan.) ..	0.89⅞	0.87½
No. 2 North. (Vanc.) ..	0.91⅛	0.87⅞
Argentine Rosafe	unquoted	
Do., Barusso	unquoted	
Australian (Afloat)	0.93⅝	0.90¼
Australian	0.94⅛	0.94⅛
French	0.82½	0.81¾

Winnipeg Grain Futures

Week to May 26, 1936

Crop year from Aug. 1, 1935 High	Crop year from Aug. 1, 1935 Low		Open May 20	High for week	Low for week	Close May 26
		Wheat				
1.02¼	.73	May	.75⅞	.76¾	.73	.73⅝
.92⅞	.73⅛	July	.76¼	.77⅞	.73⅛	.73⅝
.89	.74⅝	Oct.	.77½	.78⅝	.74⅝	.75
		Oats				
.35⅝	.29⅝	May	.31¾	.32⅛	.31	.31
.33⅝	.30	July	.31⅛	.31½	.30¾	.30¾
.31⅞	.29¾	Oct.	.30¼	.30⅝	.29¾	.29¾
		Barley				
.42½	.34⅝	May	.37⅛	.38¼	.36	.36
.40¼	.35⅝	July	.36⅞	.37¾	.35⅝	.35⅞
.40¼	.35½	Oct.	.36⅝	.37½	.35⅛	.35½
		Flax				
1.65	1.33	May	1.46	1.47¼	1.43	1.43
1.63	1.40¼	July	....	1.45	1.43	1.43
1.47⅝	1.38¾	Oct.	1.39½	1.40½	1.38¾	1.38¾
		Rye				
.51⅛	.38	May	.42	.42⅝	.41	.41
.48½	.39⅛	July	.43⅝	.43½	.41¼	.41⅝
.49	.41⅛	Oct.	.44⅝	.45	.42⅝	.42⅝

See Grain Probe Started in June

Ramsay or MacGibbon Likely to Assist Justice Turgeon

From Our Own Correspondent

OTTAWA.—The special wheat investigating committee of the Commons is unlikely to bring in its report, calling for a royal commission enquiry into the wheat problem, until mid-June. After this delay, however, events promise to march rapidly.

The chairman of the royal commission is believed certain to be Mr. Justice Turgeon of Regina, now finishing a probe into the rayon industry. It will be a three man commission with another westerner as vice-chairman and an eastern business man as the third member.

The other westerner is likely to be either E. B. Ramsay, chairman of the Board of Grain Commissioners and a former high official of the wheat pools, or Dr. Duncan A. MacGibbon, also of the grain commission, and formerly professor of political economy at Edmonton. Dr. MacGibbon was associated with Justice Turgeon in the early twenties in a similar enquiry.

No name has yet been suggested for the eastern member.

Central Stations Set New Record

All Economic Areas Show Gains Over Last Year's Returns

From Our Own Correspondent

MONTREAL. — Central electric stations in Canada established a further record in April, when output totalled 2,164 k.w.h.

All five economic areas showed increases over April, 1935, and the Maritime Provinces and Quebec showed increases over March this year. These two divisions also showed increased consumption over March; larger deliveries to electric boilers in Quebec more than accounted for this increase in that province.

The consumption of firm power, or total production less exports and deliveries to electric boilers, was 1,356 millions kw.h. in April. Although this is below March and also October, 1935, consumption, the previous high records, the index number of the Dominion Bureau of Statistics, adjusted for seasonal variations, reached a new high of 177.68; the March index of 173.77 was the previous peak.

Exports to the United States during April amounted to 125 million kw.h., or 29 per cent above last year's exports.

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The Week in Mining

Myriad Forces Create Sudden Boom Picture

Quebec Juniors Get Added Stimulus of Chibougamau Rail Project — Gold Now Merchandise

If some super promoter, having tremendous influence with Ottawa and with the particular gods whose task it is to guide the destinies of the mining industry, were to have arranged the setting for the junior gold markets, he could hardly have created a more perfect setting for a boom than the one prevailing.

There was first of all the budget and its three-year tax exemption for new producers. Then came the announcement that roads were to be built in mining areas. Talk of inflation was heard once again. McLeod Cockshutt and Hard Rock Gold, through remarkable drill assays, gave a fillip to all the penny stocks in the Little Long Lac camp. Rich ore at O'Brien, in northwestern Quebec, performed the same function for that field. Further stimulus was given the Quebec pennies and juniors by the application of the C. P. R. for a charter to build a railway into the Quebec area up to Chibougamau.

All these factors against a background of tardy but obvious government enthusiasm for the mining industry are making the market what it is today. The suddenness of the boom may itself be interpreted as indicative of an equally sudden cessation, and the investor—without becoming a pessimist—would do well to exercise caution.

Once More—Inflation

From across the border have sounded two authoritative voices, both more or less predicting the inevitable, if delayed, arrival of further inflation in the United States. Orrin C. Wood, president of the Investment Bankers' Association of America, recently stated that inflation was "marching slowly down the road of government borrowing today."

"Four years of heavy deficits have passed and each year we have hoped for a definite trend toward a balanced budget," stated Mr. Wood. "Each year we have been disappointed. This year, due to a large increase in the ordinary expenses of the government, due to the invalidation of the processing taxes, and due to the bonus, the federal deficit bids fair to be the largest of the depression by a substantial amount."

Col. Leonard P. Ayres, vice-president of the Cleveland Trust Co., issues a similar warning, but concerns himself more with the effect on commodity prices than with the gold content of the dollar.

Similar talk is heard on the street, and the tendency to switch investors' funds into gold stocks is noticeable on all sides, a tendency that may not be without danger for investors.

* * *

Provincial "Freedom"

The Edmonton correspondent of The Financial Post reports that the discovery of large salt deposits at Fort McMurray is being viewed in some Alberta quarters as an aid to the province in its fight for "economic freedom from the financial east of the Dominion."

Further on in the dispatch, it is stated the deposits have, for the past two months been under development "by eastern interests."

These two statements afford a concise example of how futile it is for one province to talk of being "economically independent" of another.

Quebec Takes a Bow

There is one angle of the dispute over the application of the C. P. R. to build a line through the Quebec mining fields to Chibougamau which appears to have escaped the attention of most commentators and that is the implied compliment to the area as a potentially important producing field.

The C. P. R. through its controlled company, Consolidated Mining & Smelting Co., has pioneered development in the Chibougamau field, and is interested in what is the most advanced development in the area. Presumably, while the general public has been left very much in the dark as to the result of work done by Smelters, the C. P. R. is better informed, and feels that results warrant rail access.

Similarly, the proposed route through the townships south of the C. N. R. transcontinental implies that this area, which already boasts several young producers, is considered by the C. P. R. to have possibilities as an even greater producing field.

* * *

Gold Now Merchandise

While the dispute as to whether or not gold is a commodity will probably be waging many, many years from now, the Dominion Bureau of Statistics has apparently made up its own mind.

As noted on the Business Page of this issue, the Bureau, in its summary of Canada's domestic exports for April, includes, for the first time, gold bullion in merchandise trade. The Financial Post is informed that this will be the policy of the Bureau starting with the new fiscal year, April 1. Formerly exports of bullion were included as coin and bullion, and did not show in the monthly export figures.

Incidentally, the export of gold bullion now ranks as Canada's greatest single export by many millions of dollars, amounting in April last to $11,624,000.

Pogue Declines To Make Reply

From Our Own Correspondent

WINNIPEG.—"Mr. Pogue and myself have decided, and this decision is endorsed by our legal advisers, that no good purpose can be served by answering any criticisms."

This was the answer of W. J. Holmes, financial backer for C. N. Pogue for many years during his endeavors to solve the problem of getting more power out of gasoline, when asked to reply to the criticism of Charles F. Kettering, General Motors research authority, that Pogue's claims held a "joker." Pogue's carbureter, it is claimed, will give an automobile 200 miles from a gallon of gasoline.

Mr. Pogue reiterated the statement made by Mr. Holmes and both intimated that necessary financing would not be difficult to secure.

Alberta Sees Salt Deposits Freedom Aid

Will Help in Fight for Economic Independence

TURNER RECALLED

From Our Own Correspondent

EDMONTON.—Alberta's minister of mines, Hon. C. C. Ross, recently reported the proving of a large, rich deposit of salt close to the railway at Fort McMurray in northern Alberta. This discovery is seen to be of value in helping the province gain economic freedom from the financial east," he thinks.

The salt bed at McMurray is reported to be large enough to supply all the salt used in Alberta and vast quantities for export in addition. At present all the salt used in the province comes from near Windsor, Ontario, with a long and expensive haul to the market here. The new salt find is located within 589 ft. from the railway track and is nearer to Edmonton and other points by hundreds of miles than the Ontario source.

The minister, who himself is a mining engineer, stated the salt was of the highest quality. He described the find as the most important since the first oil well was brought in at the Turner Valley, near Calgary.

Eastern Money

Operations have been carried on at McMurray for the past two months by eastern interests headed by F. L. Batchelor, of Cornwall, Ontario, and a former bank manager in Alberta. The new company has been organized as Industrial Minerals Ltd., and was incorporated in Alberta, with head offices in Edmonton, with a capitalization of 1 million $1 shares.

Two more shafts will be sunk by the company before it erects a plant there, but the building will be commenced during the summer. The shaft's closeness to the railway makes it possible to build a spur tract to the plant which will be erected over the cores. Handling of brine in the cold weather will be made easier by these conditions also.

Former attempts to obtain commercial quantities of salt in the McMurray area, where it was known to exist, proved unproductive because of transportation difficulties.

Dispute Halts Cash Payment To Gabrielle

Most of San Antonio Shares Distributed However

FACE COURT CASE

From Our Own Correspondent

WINNIPEG.—Approximately 70,-000 of the 76,400 shares turned over to Gabrielle Mines by San Antonio Mines have been taken up, new certificates issued and registered in the names of the owners.

There is a matter, however, of approximately $6,000 held by Gabrielle Mines in the form of dividends received from San Antonio which has not been paid to shareholders.

Under date of May 15 Gabrielle Mines mailed cards to its shareholders which read "Referring to our notice to you of Feb. 25 last in which you were advised that the disbursement of the dividend as referred to in the circular letter of Jan. 18, 1936, could not be made at the time, please be advised that the delay referred to in the notice was on account of a claim being made against the company by the heirs of the late W. A. Munro, a former shareholder of the company.

Dividend Held Up

"The directors cannot disburse the dividend until this claim has been disposed of and upon motion being made to court on behalf of the company the claimants were ordered to commence an action against the company for the purpose of finally disposing of the claim. Our solicitors upon whose advice we have acted throughout advise us it will be impossible to have the action disposed of until some time after October 1 next."

The claim is made that after Mr. Munro's death, a new certificate was made out in another name for the full number of shares and then disposed of. The present action seeks to force the company to issue a certificate for the number of shares held originally by Mr. Munro (5,000), in the name of the heir.

So far as San Antonio Mines is concerned, all liquidities were properly concluded before that company turned over its shares for the Gabrielle property. The dispute lies solely between the heirs of W. A. Munro and the present directors of Gabrielle Mines.

Pamour Mill Well Ahead Of Schedule

Up to Quota of 500 Tons Per Day, Visit Shows

PLANT IS OF STEEL

From Our Own Correspondent

TIMMINS. — Pamour Porcupine Mines was a scene of busy activity when The Financial Post visited the property last week. Operating at its full quota of 500 tons a day, the mill is a full two weeks ahead of schedule, the mill superintendent stated.

The mill is a big steel plant, built to stand up under heavy strain. It is apparent that Noranda have constructed this mill with an eye to the future—steel floors, stairs, and machinery bearing out this statement.

Employing around 400 men, Pamour is still proceeding with construction. Some of this working force is busy at erecting a water reservoir. It is estimated that Noranda has spent over $1.4 millions on this property already.

Average recovery per ton in the mill will not be known for a week, the mill superintendent said.

Pamour's estimated ore reserves last fall, as indicated by diamond drilling, were 1,475,000 tons with a gross value of $13,466,750. Included in this tonnage was probable ore as shown by drifting and cross-cutting on the 200-ft. level estimated at 671,300 tons.

Six miles northeast of Dome mines, the property consists of 1,160 acres in Whitney township, an amalgamation of the old La Palme Porcupine, Three Nations and Porcupine Grande claims.

On an ore zone 1,000 ft. long and 5,000 ft. wide has been indicated by 40,000 ft. of diamond drilling. This is in marked contrast to the cautious reports of earlier operators on the property.

Sorting the Mines

An Impartial Analysis of Listed Stock from A to Z

These little close-ups are aimed at giving The Financial Post's readers an inventory of the market today. In no sense are they to be regarded as exhaustive summaries. Each listed stock is being dealt with in alphabetical order as space permits.

Home Gold Mining Co.

Shares of Home Gold Mining Co. are traded on the curb in Vancouver. The property is a gold prospect of eight claims on Ladner Creek, Coquihalla district, British Columbia.

The company recently resumed operations of its 25-ton mill, and is now understood to be making regular shipments to the smelter, although production figures are not yet available.

The property is developed on three levels by means of tunnels, and work is being concentrated on a fourth. The management claims to have opened up ore on all levels, average assays being about 0.3 ounces gold to the ton. No tonnage estimate of ore is, however, available.

The company has an authorized capitalization of 3 million shares, no par value, of which 2,363,765 were outstanding.

On the board of directors are some well-known British Columbia mining men, but the lack of information regarding proven or even indicated tonnages, plus the fact that the working capital position of the company, unless materially boosted by concentrate shipments, is understood to be somewhat slim, makes Home Gold appear rather much of a speculation.

Price Range of Stock

	High	Low
1935		
Common	$0.12½	$0.02½
1936		
Common	$0.08	$0.02

Howey Gold Mines

The operation of the Howey mine is one of the most interesting in Canada, owing to the fact that the company is consistently showing a profit on ore which, in 1935, showed a recovery per ton averaging only $3.28.

It would probably not be dramatizing the situation too much to say that at the present time Howey is going through one of the most critical stages in its history, and will in the next few months do much to demonstrate what its possibilities for the future may be.

Last year, positive and indicated ore reserves combined showed a slight falling off. In addition, grade treated also declined, with the result that earnings per share in 1935 worked out to only about four cents on the five million shares outstanding, or half the 1934 earnings.

Howey is at present sinking a winze to the 2,000-ft. level. It is generally conceded that Howey's future hangs largely on the results of this deep-development, results which will not be known for several months.

In the meantime, positive and indicated reserves totalled, as at Dec. 31, 1935, 2,009,450 tons. Although, in order to keep costs at a profitable low, Howey has to handle large tonnages, these reserves would be sufficient, at the current mill rate of about 1,400 tons per day, to supply the mill for nearly five years, unless something unforeseen happens to the price of gold. The grade of these reserves is between $3 and $3.50 per ton, which does not allow much margin for decreasing gold prices.

The outlook for Howey has brightened of late by the results obtained at the neighboring property of Red Lake Gold Shore, shortly to come into production. Some of the surface work at present being carried out at Howey is aimed at picking up the extension of the Red Lake Gold Shore ore body.

Howey, with an authorized capitalization of $5 millions is in good hands, and costs have been consistently whittled. In 1934, Howey paid dividends amounting to 10 cents per share and in 1935, five cents.

Price Range of Stock

	High	Low	Last
1935			
Common	$1.10 (Jan.)	$0.55 (Nov.)	$0.65 (Dec. 31)
1936			
Common	$0.75 (Jan.)	$0.55½ (Mar.)	$0.79 (May 23)

Hudson Bay Mining & Smelting

Hudson Bay Mining & Smelting Co. ranks as one of the senior stocks on the big board, and operates the large low grade copper-zinc-gold-silver deposit straddling the Manitoba-Saskatchewan border.

The story of how this huge deposit of complex ore was brought into profitable production in 1931 when base metal prices were very near the bottom, has been told many times, and in such a series as this can only be referred to as an indication of the efficiency of the management.

Hudson Bay Smelters, like Canada's other large scale base metal producers would profit enormously were base metal prices to show definite upward trends. This fact is amply demonstrated by the 1935 production record, during which time the company earned $1.17 per share as compared with 58 cents per share in 1934, due almost entirely to higher average copper prices and to a slight increase in the average price of zinc.

Grounds for hope in the future earnings possibilities of this company lie in the possibility for higher copper prices and in the addition of such by-product metals as selenium and tellurium to the company's metallurgical repertoire. The addition of these two metals has meant added revenue of from 10 cents to 15 cents per ton. During 1936, in addition to these two metals, the company will begin the production of cadmium.

In the past two years, the gold and silver content of the company's ore has helped it carry on despite low copper and zinc prices. Ore reserves as at Dec. 31, 1935, were estimated at 24,770,000 tons, averaging per ton copper 2.10 per cent; zinc 3.86 per cent; gold 0.08 oz. and silver 1.28 oz. These reserves, on the 1935 basis of mining, would be sufficient to last the company well over 15 years. No development, however has been carried on below the 1,690-ft. level, although the deepest level of the mine is at 2,210 ft. Below the 1,000-ft. horizon gold values have improved slightly.

Hudson Bay Smelters has no set dividend policy as the earnings of the company are subject to many changing economic factors. Officials feel it is better to pay dividends as earnings are established. In 1935 the company paid a dividend of 50 cents per share on August 31, and another 50 cents on Dec. 31. This year, a dividend of 50 cents per share will be paid on the common stock on June 29, with at least one more payment expected before the end of the year.

With average copper and zinc prices in 1935 only about 7.8 cents and 3.1 cents per pound respectively, it is obvious that Hudson Bay Smelters should be in an enviable earnings position if the price of these metals returned to the 1929 level of 18.3 cents and 5.4 cents per pound respectively.

In the meantime, however, with a yield of about 3.8 per cent, current prices appear to represent a satisfactory investment, in view of the security offered and the speculative possibilities indicated above.

Price Range of Stock

	High	Low	Last
1935			
Common	$24⅜ (Dec.)	$11½ (Jan.)	$21½ (Dec. 31)
1936			
Common	$28¼ (Feb.)	$22⅞ (Jan.)	$27⅛ (May 23)

Obalski Shareholders Ratify Financing Deal

Shareholders of Obalski Mining Corporation, at a special meeting held in Montreal recently, ratified the deals made with Wawbano Mines Ltd. and Case Pomeroy Co. Incorp. Under this agreement, Wawbano Mines is undertaking an extensive development programme on the Portage Island property and the New York firm is to develop the Baie Cachee property. J. C. Lamothe, K.C., president, reports that drilling had already started on the Portage Island property, and a contract has been given to Hans Lundberg for a geophysical survey.

Sullivan Vein High Grade

Length of 200 ft. Shown on No. 4 Vein

A length of 200 ft. of high-grade ore has been shown on the No. 4 vein of Sullivan Consolidated Mines in northwestern Quebec. The last 50 ft. averages close to two oz. gold per ton across five ft. or better, it is officially stated. The first section gave .75 oz. across stoping widths, and the progressive face is still in the high grades. Shaft No. 2 is expected to be completed to the fifth level around June 15.

In the meantime, surface diamond drilling done recently on a new section of the property brought encouraging indications from the two holes sunk so far.

The step-up in production to 150 tons daily is taking place immediately.

Kenty Shows Nice Profit On Argosy Gold Holdings

In the balance sheet as at April 30, 1936, presented to the annual meeting recently, Kenty Gold Mines, subsidiary of Brett-Trethewey, shows current assets, exclusive of investments, at $14,883, against current liabilities of $167. Investments, comprising 500,611 shares of Argosy Gold Mines, are shown at cost of $118,163. At current quotations, these holdings have a market value of about $770,950, indicating a comfortable book profit.

Of the current assets, $14,519 is in cash, the remainder being made up of accounts receivable, and inventories of supplies and materials.

At the date of the balance sheet, 2,000,005 shares of the 3 million share authorized capitalization were outstanding.

Deferred charges to operations, including the balance of $242,059 as at Dec. 31, 1935, and $3,884 being charges for the four-month period ended April 30, 1936, are shown at $245,943. After deducting profit on the sale of investments of $13,919, these charges have been capitalized at $232,024.

Rickard Ramore G. Mines Extends Holdings Eastward

Favorable results from shaft sinking have induced Rickard Ramore Gold Mines, in Rickard twp., Ont., to buy outright five claims lying east of the present holdings, The Financial Post is officially informed.

The company recently sold a large block of treasury stock to United States interests, and claims to have sufficient funds to complete their present programme, which includes deepening the shaft from the present 160 ft. level to the 300 ft. level.

Sladen Malartic Making Headway

To Start Lateral Work by Middle of June

At Sladen-Malartic Mines in northwestern Quebec, all construction was completed in April and shaft sinking was resumed under power April 24. At the end of April the shaft had reached a depth of 62.5 ft., and has averaged 5.3 ft. per 24 hours. By the middle of May, the shaft was down 130 ft., and it is anticipated that crosscutting north for the ore body will start in a month.

Andrew Walz, engineer in charge of operations, reports that due to surplus water conditions, prospecting south of the shaft has been temporarily stopped. Information, however, has been secured which may have an important bearing on structure, and a system of fracturing which is cutting the bedding planes both in dip and strike. Mr. Walz suggests that this fracturing appears to dip to the north, and indicates the likelihood of an intersection with the main ore body, both on strike and dip.

Madsen Red Lake Signs Up for Power

Report 30,000 Tons of $13 Ore Between Two Levels

With three levels established and two opened up for 500 and 400 ft., Madsen Red Lake Gold Mines estimates 30,000 tons of ore blocked out between the third and second levels, averaging about $13 per ton, Joseph McDonough, vice-president, stated, in conversation with The Financial Post.

To date, mining has been carried out with steam power, but the company has recently signed a contract with the Ontario Hydro-Electric Commission for power, to be delivered to the property shortly.

Little work has been done on the first level as yet, but officials estimate that an additional 30,000 tons of ore can be proven between the first level and surface.

The company has already spent about $100,000 on the property, and are spending at the rate of about $10,000 per month. A crew of 35 men is at work.

The company, of an authorized capitalization of 3 million shares, $1 par, has about 1.2 million shares left in the treasury and about $50,000 cash. Of the treasury stock, 600,000 shares are under option.

Mineral Estates Ltd. Offers 25,000 Shares

Mineral Estates Ltd. is offering 25,000 treasury shares at $2.50 per share, to finance development of extensive holdings west of the producing Porcupine break.

Mineral Estates was incorporated with an Ontario charter, and has acquired 281 unpatented mining claims and holds options on 15 others, in the townships of Mountjoy, Godfrey, Turnbull, Bristol, and Carscallen. Preliminary surface work and geophysical surveys encourage officials in the belief that the Porcupine ore zone extends to the property. To date, however, development work has been confined to a preliminary geophysical survey and surface work. At the present time the company is drilling and continuing surface explorations. When and if the mine-making possibilities of the property are established, it is the intention of Mineral Estates to form subsidiary companies to develop the various groups.

Mineral Estates Ltd. has an authorized capitalization of 300,000 shares at $1 par value. Of this amount, and exclusive of the present offering, 175,009 shares are outstanding. After the sale of the present stock, there will remain in the treasury 99,991 shares. Officers and directors of Mineral Estates include Douglas Banks, president; R. F. Stibbard, vice-president; E. E. Campbell, Toronto, and J. H. S. Kerr, of Toronto, directors. W. S. Coupland is director and secretary-treasurer.

New Vein Uncovered At Empress Property

Exploration work carried on at the old Empress property in the Port Arthur mining area has resulted in uncovering a new vein similar to that of the main Empress vein to the south, according to a wire from Charles Desroslers, president and general manager of Empress Consolidated Mines to the Toronto office. Recently, with an augmented crew, efforts have been concentrated on preparing the property for a hydraulicking campaign. Two carloads of equipment, including two hydraulic monitors, have already been shipped into the property.

The Empress property has been known since 1895, but has been inactive for many years. Empress Consolidated Gold Mines was formed with an Ontario charter, according to information on file at The Financial Post, in March of this year. The company has an authorized capitalization of three million shares, $1 par value.

Flin Flon Syndicate Deepens Beda Vein

From Our Own Correspondent

REGINA. — Work on the Beda property of the Flin Flon Gold Mining Syndicate is progressing to the extent where three raises have been developed, showing that the vein of ore is continuous between the three levels. Dr. J. F. Wright, geologist and director of the company is on the property with George Salton, M.E., in charge of exploration work.

Dr. Wright reports the ore shoot on the first level has been extended 30 ft. to a total of 180 ft. with recent showing at slightly more than 0.5 ounces across widths of from 2½ to 3 ft.

Erie Canadian Options Properties in Quebec

Erie Canadian Mines, prospecting subsidiary of Sylvanite Gold Mines, has taken an option on the claims of the Lake Shore Prospectors Syndicate, which joins on the north and northwest the holdings of Dorval-Siscoe Gold Mines. It is planned to start diamond drilling immediately on the portion of the property near the boundary of Dorval-Siscoe.

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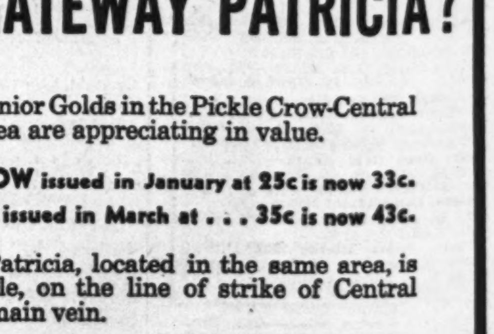

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Falconbridge Clears Decks For Increase

Surface and Underground To Be Ready by Fall

GET NEW ORE

From Our Own Correspondent

SUDBURY.—The expansion programme at Falconbridge Nickel Mines, which has for its objective a 25 per cent increase in production in the fall of this year, is proceeding well up to schedule, with the enlarged surface plant taking visual shape.

To Extend Smelter

Foundations have been completed for the addition to the smelter and for the new chimney, which the Canadian Custodis Co. will construct. The stack is to be 18 ft. in diameter at the base, and 300 ft. high as compared with 175 ft. for the present chimney. It will be built of concrete. The extension to the smelter will provide for lengthening the furnace another 20 ft. and the installation of another converter. The foundations for the new crusher plant are partially completed.

Underground development from the new No. 5 shaft is proceeding satisfactorily. The shaft is being deepened from its previous mark of 1,400 ft., where it was held pending the servicing of the shaft with Abitibi Canyon power, and while no records in speed are being attempted, it is expected that the shaft will be continued down to 2,000 ft.

Prepare New Levels

Drifting eastward on the 500-ft. level is still putting new ore into sight, and at the same time several new levels are being prepared for mining. These are at 200, 325, 650, 825 and 1,000 ft., all of which will play an important part in the underground production programme when the whole new development swings into action next fall.

Falconbridge is currently using 5,000 horsepower of electric energy, and when the enlarged production programme is in full swing at the end of the year, with new crusher plant and augmented smelter facilities in operation, the total power utilized will be around 6,000 horsepower.

May Boost Mill At Matachewan

Ore Reserves Up, States Unofficial Report

From Our Own Correspondent

SUDBURY.—Enlargement of milling facilities some time during this year is a probability in view of development of ore reserves at the property of Matachewan Consolidated Mines, in the Matachewan area, according to authentic word from the field. A few months ago the shaft was deepened from 160 to 260 ft., and opening up of the second level at the latter depth has been exceptionally encouraging, a goodly volume of new ore being placed in a sight. However, the work is proceeding leisurely, and there is no attempt being made to hasten development or expand the scope of prevailing operations.

The mill is currently treating about 150 tons daily, and the company is showing an average profit of around $5,000 per month. In the first quarter the plant treated a total of 13,417 tons and produced bullion worth $103,243, showing that the company is making a profit on $8 ore.

Matachewan Consolidated is a subsidiary of Ventures Ltd. and Sudbury Basin Mines.

New Mines

Britcana Exploration — Ontario incorp. April 23, 1936. H.O. Toronto. Author. capit. $100,000, par $1.

Clucas Booker Gold Mining—Ont. incorp. April 16, 1936. H. O. Timmins, Ont. Author. capit. $3,000,000, par $1.

Cochenour Williams Gold Mines—Ont. incorp. April 9, 1936. H. O. Toronto. Author. capit. $3,000,000, par $1.

Coin Lake Gold Mines — Ont. incorp. April 21, 1936. H. O. Toronto. Author. capit. $3,000,000, par $1.

Continental Mining and Smelting—B. C. incorp. April 23, 1936. H. O. 520 Stock Exchange Bldg., 475 Howe St., Vancouver. Author. capit. 1,000,000 shares, no par value.

Depada Gold Mines—Ont. incorp. April 22, 1936. H. O. Toronto. Author. capit. $40,000, par $1.

Dentore Gold Mines—Ont. incorp. April 7, 1936. H. O. Toronto. Author. capit. $3,000,000, par $1.

Dubuque Mines — Ont. incorp. April 2, 1936. H. O. Timmins. Author. capit. $40,000, par $1.

Edge Creek Gold Mines—Ont. incorp., April 16, 1936. H. O. Toronto. Author. capit. $4,000,000, par $1.

Granville Mines—B. C. incorp. April 14, 1936. H. O. 520 Stock Exchange Bldg., 475 Howe St., Vancouver. Authorized capit. $10,000, divided into 100 shares of $100 each.

Hallnor Mines — Ont. Incorp. April 6, 1936. H. O. Township of Whitney. Author. capit. $2,000,000, par $1.

Kerr-Addison Gold Mines—Ont. incorp. April 9, 1936. H. O. Toronto. Author. capit. $5,000,000, par $1.

Kirkland Lake Orezone Syndicate—Ont. incorp., April 18, 1936. H. O. Toronto. Author. capit. 10,000 shares, no par value.

Lake Head Gold Mines — Ont. incorp. April 20, 1936. H. O. Toronto. Author. capit. $5,000,000, par $1.

Magnet Consolidated Mines—Ont. incorp. April 23, 1936. H. O. Toronto. Author. capit. $3,000,000, par $1.

Ottawa Silver Mining and Milling — Incorp. in the state of Washington, registered as an extra-provincial company in B. C. April 25, 1936. H. O. near Slocan City, B.C. Paid-up capital $13,344.

Porcupine Goldur Mines—Ont. incorp., April 15, 1936. H. O. Toronto. Author. capit. $3,000,000, par $1.

Porcupine Richton Gold Mines — Ont. incorp., April 7, 1936. H. O. Toronto. Author. capit. $2,000,000, par $1.

The Welldun Mining, Milling and Power—B. C. incorp. April 17, 1936. H. O. village of Stewart, B.C. Author. capit. $20,000 divided into 40,000 shares of 50 cents each.

Capital Increased

Lebel Oro Mines—Supplementary letters patent issued April 9, 1936, increasing the capital of the company from $3,000,000 to $3,500,000 by the creation of an additional 500,000 shares of the par value of $1 each.

Change of Name

Peers Placer Gold—Notice given April 8, 1936, that name had been changed to Western Gold Dredging.

Burns Basin Gold Mines—837 Hastings St., Vancouver, is making application to change its name to Hedley Crest Mines. B. C. Gazette, May 7, 1936.

Hidden Creek Gold Mines—H. O. 604 Bank of Toronto Bldg., Victoria, B.C., is making application for change of name to "Patricia Farm."

Charter Surrendered

Gachin Gold Syndicate — Incorporated April 4, 1933. Notice given April 6, 1936, that surrender of charter has been made. Syndicate succeeded by limited company.

Windigokan Lake Gold Mines — Notice given April 6, 1936, that surrender of charter has been made.

Errington Denies He's Made Million From M'Leod Deal

350,000 Shares Still In His Safe He Tells Enquiring Reporter

NEWS IRKS HIM

By R. E. KNOWLES, JR.

"I haven't made any million dollars," snarled Joseph Errington, Toronto mining magnate, when I mentioned a little deal in McLeod-Cockshutt he put over recently. "Besides," he went on, "even if I did, it isn't anybody's business but my own and you people shouldn't come around to my office bothering me."

"But you bought MacLeod-Cockshutt, didn't you?"

"What if I did?"

"Three hundred and fifty thousand shares at an average price of 47½?"

"What if I did?"

"And it's now quoted at over $4 a share?"

"Yes."

"Now figure that out. . . ."

"Figure that out! ..Why figure it out? Every single share I bought is still in my safe there. I haven't sold a single one of them. My job's to get minerals out of the earth. That's the way I make money . . . mineral production . . . not boosting stock prices and then selling out."

"Hounded" After News is Out

Joseph Errington screwed his rugged features up in an expression of finality and waved his 25-cent cigar in a gesture of impatience.

Then he went on talking. People, he said, were bothering the life out of him all over nothing. Bum stock salesmen, charity racketeers and newspapermen were hounding him unmercifully, and he was just a poor old fellow minding his own business and letting other people mind theirs. They must take him for an awful sucker. Perhaps he was. Sometimes he fell for them. But when he did he could take it— and take it without squawking.

"Anyway," he growled, "why should you want to put an article about me in the paper?"

To describe Mr. Errington as briefly as possible, one would call him a "hard-boiled, hard-hitting he-man." He is rather over average height, and of a build that is heavy without being corpulent. His complexion is fresh—almost ruddy. His head is partly gray, partly bald. He dresses neatly, but not flashily. Whether sitting or standing he never slouches. Talking to people, he looks them square in the eye and lets them have it straight from the shoulder.

He is 65 years old but looks and acts anything between ten and twenty years younger. This is because his personality exudes health, vigor and fearlessness.

Whether at work or at play, he throws himself into it with all the energy and fervor of youth. And whether at work or at play, he enjoys every minute of it. He has seen and done many things, drinking the cup of life to the dregs. At 65 he is looking forward to having a few more good pulls at it.

He's an "Early Bird"

He is in his office at eight o'clock every morning and scorns 9.30 executives as effete. He gets through a day's work that would be a credit to a man many years younger. His duties include the following: president of Little Long Lac and of Sudbury Basin Mines, manager of Treadwell-Yukon, and director of

JOSEPH ERRINGTON

Sherritt-Gordon, Osisko Lake, Sudbury Diamond Drilling Co., Dominion Explorers, Kenora Prospecting, Bankfield Gold Mines, Ventures, Paymaster-Consolidated and MacLeod-Cockshutt.

Started at Sudbury

Joseph Errington is a man who has risen from the ranks after graduating from the university of Hard Knocks. He was born in Simcoe County, Ont., on Dec. 8 1870. After attending public school he went north to the Sudbury district when still very young. He began work as a laborer but quickly earned promotion to a position on the office of the Orford Copper Co., which later brought about the formation of International Nickel. Joseph Errington, during these years, learned much about the mining game. He made himself familiar, from the practical aspect, with both the prospecting and engineering ends of it.

After nearly twenty years in continuous mining and exploratory work in the Sudbury district, he went west to the coal zone of Alberta in 1909. He became the assistant of the late R. J. McKenzie of the Canadian Northern and made a discovery of high-grade coal. During the succeeding years he was to be found in various parts of the United States and Mexico at different times. He acquired extensive oil interests and made himself something more than a modest competence.

In 1923 he returned to Toronto as representative of the Bunker Hill-Sullivan Company, a United States mining outfit, and began development work for them in the Sudbury district. Treadwell-Yukon and Sudbury Basin were two of the companies he was connected with in this capacity.

Properties Profitable

During recent years most of his attention has been devoted to work in the Long Lac area, though whether this is still as representative for the United States syndicate or whether it is on his own it is impossible to say. He seems to have developed the Midas-touch, for most of the properties with which he has been connected have flourished on the exchange.

In 1928 Mr. Errington presented a unique black diamond to the Royal Ontario Museum. It was mined near Kimberley in South Africa and was of unusual size and crystallization, weighing 62.66 carats which is only slightly smaller than the largest one of its kind in the world, one of 63.85 carats in the U. S. National Museum.

Mr. Errington is a member of the Canadian Institute of Mining and Metallurgy, the Ontario Mining Association and the American Institute of Mining and Metallurgy. His clubs are the National, Engineers, Lakeview Golf and Country, Granite, Lambton Golf, Ontario Jockey, Albany and Canadian Club of New York.

The old platitude about "a heart of gold beneath a rugged exterior" could be appropriately quoted about Mr. Errington. He is generous toward charities without making his donations public. He is good to his less wealthy relations, too. He is putting a young nephew through college, but insists that he spend his vacations working as a day laborer in the mines to get the experience and learn about life at first hand. Wasn't that the way Joseph Errington got his start up the ladder?

Mining Enquiries

Diana Gold Mines

Being a shareholder of Diana Gold Mines, I began to think that there was no hope of collecting anything on my money, but from a recent issue of The Post I gather that there is still some hope. What is the position?

The present position of holders of Diana Gold Mines stock is not yet decided. Their equity depends entirely on whether or not the property is re-opened. You will notice from the article in The Financial Post of May 16 that current liabilities are considerably in excess of current assets.

The work done to date on this property has not demonstrated that it has any particular merit. If, however, creditors' claims are settled in such a way that further work can be done underground, shareholders would at least have a chance of getting some return on their money. In the meantime, there is little you can do but await settlement of the company's financial affairs.

Roche Long Lac

What irons has Roche Long Lac in the fire, if any? I would appreciate your opinion of this stock, and the men behind it.

Roche Long Lac Gold Mines owns 53 claims in the Long Lac mining area of Ontario. In May, 1935, additional claims were acquired in the Albany River area of Ontario. Operations have been discontinued on the Long Lac area, but some dimond drilling is planned in the northwestern group. Work has also been suspended at the Albany River claim because of the expense of operating in that district at the present time.

A number of claims were examined in the Athabaska field in northern Saskatchewan, but no properties were acquired. Later on, three groups of claims were staked in the Horwood Lake area, north of Sudbury, and development is planned in 1936.

From this you will see the main chance of this company appears to be the Horwood Lake group. This property has seen little development work, and is still very much of a prospect. Hollinger Consolidated Gold Mines is meeting with encouraging results on an option which it has in this area.

As at November 30, 1935, Roche Long Lac reported current assets of $94,945, as against current liabilities of $748. Current assets included cash $82,899, investments in mining shares at cost $11,422 (which is stated to be approximate market value), and accounts receivable $624. The company has an authorized capitalization of 2.5 million shares, $1 par value, of which about two million are outstanding. Of the outstanding stock, one million was issued for properties and is in pool.

Behind this company are men who have been active for some years in Canadian mining, but have no outstanding success to their credit to date.

Western Gold Dredging

I have received a letter from Western Gold Dredging Ltd., who have apparently taken over McLeod River Mining Corp., of which I am a shareholder. I did not know of this, and was wondering if there was some catch to it. What is it all about? Must I surrender my stock?

Western Gold Dredging is in reality a successor to Peers Placer Gold which, in August last year, purchased ten miles of dredging leases from McLeod.

The record of McLeod River Mining Corp. has been one series of break-downs and excuses on the part of officials for not getting the property into production. The fact appears to be that the leases are of doubtful commercial value.

Western Gold Dredging has virtually the same background as McLeod River Mining Corp. While the outlook for the company is certainly not bright, we can see no "catch" to the offer of Western Gold Dredging. McLeod River still holds some leases but the stock of the company was delisted from the mining section of the Toronto Stock Exchange last year because of its asset position—a mortgage of approximately $80,000 being outstanding at that time. You will not have to surrender your McLeod River stock. The distribution is to be on the basis of one share of Western Gold Dredging stock for each 100 shares of McLeod River held. This distribution will be made to shareholders of record May 11, 1936, and in no way affects your ownership of McLeod River shares.

Western Gold Dredging is capitalized at one million shares no par value. The share distribution mentioned is in return for about $15,000 which McLeod River Mining Corp. spent in drilling and sampling the leases.

If as at May 11 you were a registered stockholder of McLeod River Mining Corp., you should be entitled to the Western Gold Dredging stock.

Monthly Gold Figures Show Consistent Rise in Recovery

In the monthly gold production figures issued by the Department of Mines in Ontario, a slight but perhaps significant increase in the recovery per ton is noticeable when one compares the 1936 figures with 1935.

This increase in recovery per ton is most noticeable in the two old established camps, Porcupine and Kirkland Lake.

The following table showing comparative recoveries all over Ontario for 1935 and 1936 have been worked out by The Financial Post from government figures showing number of tons treated and total gross bullion recovery. A month by month comparison shows how consistent the increase is:

Total Recovery Per Ton

	1936 $	1935 $
January	10.29	9.77
February	10.47	10.39
March	10.45	10.05
April	10.68	10.01

Since this increased recovery is most noticeable in the two main camps, the conclusion, of course is that the major producers are slowly cleaning up the low grade material left on the upper levels during "low" gold prices, and are gradually increasing the grade of ore treated.

During April, production from Ontario camps dropped slightly from the March figure, grossing $6,589,115, as against $6,714,506 in March. As will be seen from the table the April production was however, considerably in excess of January and February production.

During April, Porcupine ranked as the most important producer from the point of view of value. Producing properties in order of output in this camp were Hollinger, McIntyre, Dome, Buffalo Ankerite, Coniaurum, Paymaster, Anglo-Huronian (Vipond), Ross, (Hollinger) and Gillies Lake Porcupine.

Kirkland Lake producers in order of output in April were Lake Shore, Wright-Hargreaves, Teck-Hughes, Sylvanite, Macassa, Kirkland Lake Gold, Toburn, Omega, Bidgood.

In the Matchewan field, three companies reported production, Young Davidson, Matchewan Consolidated, and Ashley.

In order of production value, the following mines produced in the northwestern Ontario fields: Little Long Lac, Pickle Crow, Howey, Central Patricia, Northern Empire, McKenzie Red Lake, Tashota, Darwin, Ardeen, Parkhill, Minto, St. Anthony, Wendigo, North Shores, Kenora Prospectors, Red Crest.

The following shows the record by camps for the first four months of 1935 and 1936. All values are in Canadian funds.

Output of Ontario Gold Mines

	1935 Tons Milled	1935 Value $	1936 Tons Milled	1936 Value $
Porcupine Camp:				
January	320,676	2,461,881	321,654	2,654,617
February	285,057	2,448,898	311,340	2,618,682
March	316,822	2,619,756	330,163	2,811,129
April	307,257	2,347,885	329,479	2,976,709
Kirkland Lake Camp:				
January	163,944	2,657,047	166,080	2,767,180
February	149,449	2,475,278	161,112	2,700,890
March	164,836	2,711,420	189,608	2,996,610
April	159,180	2,540,040	176,323	2,796,423
Matachewan:				
January	20,964	97,016	29,280	116,704
February	21,877	93,750	27,863	111,182
March	23,752	105,058	33,363	130,847
April	24,929	111,563	32,920	133,437
Northwestern Ontario:				
January	62,592	335,444	88,541	695,913
February	57,056	318,443	82,830	680,272
March	62,406	365,755	89,147	769,920
April	67,556	398,620	86,869	682,546
Total for Ontario: January	568,176	5,561,388	606,555	6,234,414
February	513,439	5,336,369	583,145	6,111,006
March	576,816	5,801,980	642,279	6,714,506
April	558,922	5,598,113	616,591	6,589,115

VEIN REACHED AT FIRST LEVEL OF SPLIT LAKE GOLD

Fifteen Foot Width Yields High Results

A message received from the Split Lake Gold Mines property states that the crosscut at the first level of the mine shows 15 feet in width of highly mineralized vein containing over one ounce of gold per ton with some other metal which assayer believes to be platinum. Samples and check samples from along entire side of dump where ore is being dumped from full width of vein yields this result.

Stringers of quartz could be seen in the shaft and in the station. The crosscut continued through this condition for 19 feet at which point it broke into the vein. Since the above information on the 15-foot vein width further word has been received that the crosscut is being continued and at 40 feet from the shaft was still in good looking vein matter. This means 6 feet additional to the 15-foot width referred to. The vein matter throughout the 21-foot width consists of mineralized quartz and heavily mineralized alterations.

This vein has been proven to extend over a length of over 500 feet through diamond drilling with widths ranging up to more than 20 feet. Both diamond drilling and the present underground work have shown the vein to have widened greatly as compared to surface.

The presence of platinum was not suspected and assay supplies at the property are not ample for a proper analysis of the combination of gold and what is believed to be platinum. Meantime samples are being sent to Ottawa for checking.

Although no free gold was seen in this vein on surface or through the diamond drilling, heavy coarse gold was encountered in the crosscut. The visible gold is mixed with the sulphides. Further information will be available from this level accordingly as the work proceeds.

A telegram received from H. L. Donaldson May 16th states: "Crosscut 19 feet south at first level just broke into north side vein Number 5. Very heavily mineralized and plastered with free gold. Gold coarse in sulphides. Will have another round out Sunday and will wire you details regarding width of orebody, also assays."

Another telegram from H. L. Donaldson, dated May 18th, states: "From 19 to 34 feet in south crosscut large percentage mineralized quartz in veinlets running every direction making sampling slow. Will have to sample horizontally and vertically. Assays result in combination of gold and what we feel sure is platinum plated in parting cup, after annealing, probably well over an ounce per ton. Impossible for us to part the two metals with assay supplies here. Sending sample to Ottawa for analysis to determine proportion gold and platinum. Also sending parting cup showing our results after annealing assay. Foregoing is from sample shovelled along full length of dump. Check assays give similar results."

Another telegram from Mr. Donaldson, dated May 19th, states in part: "Have cut another 2½ feet of highly mineralized quartz with balance of 7 feet banded structure quartz and alteration. Still in this condition. Going ahead with crosscut. This looks awfully good. Further study assaying trouble suggests large quantities tellurides. Getting necessary supplies to flux telluride ore and make tests."

CAPITALIZATION AND FINANCES

Capitalization (No Par Value) .... 4,000,000 shares
Incorporators' shares issued .... 5 shares
For acquisition of properties .... 1,340,000 shares
Originally issued to the parent company Smelter Gold Mines Limited 2,699,995 shares (including 40,000 shares contained in above item "for acquisition of properties") leaving a balance of 2,659,995 shares. Sold from these for purposes of Split Lake Gold Mines Limited .... 535,138 shares
The proceeds from the sale of these 535,138 shares have been received by Split Lake Gold Mines Limited.
Unsold balance .... 2,124,857 shares
Such portion of the said unsold balance of 2,124,857 shares as deemed necessary and advisable by the directors of the parent company are available for future financing of Split Lake Gold Mines Limited.
Over $100,000 has already been provided for the present enterprise.

PRESENT OFFERING

Of the above 2,124,857 shares 200,000 shares are being sold at 40c per share. A portion of these said 200,000 shares have already been sold.

Applications are being filled in the order received but the right is reserved to reject applications in whole or in part and also to award in any case a smaller number of shares than applied for.

No commissions are paid or payable to officers or directors of the company on any sales of stock.

An announcement regarding the closing of this issue will be made next week. Meantime, the right is reserved to discontinue this offering at any time, without notice.

SPLIT LAKE GOLD MINES LIMITED

Capitalization — 4,000,000 Shares — (No Par Value)

OFFICERS AND DIRECTORS

HUGH C. McRAE, President, Toronto, Ont.
GLEN A. REA, Secretary-Treasurer, Toronto, Ont.
W. S. KICKLEY, Director, Winnipeg, Man.
HARRY L. DONALDSON, Managing Engineer, Toronto, Ont.
Telephone: ELgin 6696
DANIEL I. JARVIS, Director, Thornloe, Ont.

HEAD OFFICE: 1104 BANK OF HAMILTON BLDG., TORONTO, CANADA

To SPLIT LAKE GOLD MINES LIMITED,
1104 Bank of Hamilton Bldg., Toronto, Canada.

Kindly forward prospectus, managing engineer's report, map and full information on Split Lake Gold Mines Limited.

Name ....

Address ....

....

This contract is to provide finances for further development of the property and positively no commission is paid to anyone on this contract.
The Company reserves the right to reject all or any part of this order.

To SPLIT LAKE GOLD MINES LIMITED,
Head Office: 1104 Bank of Hamilton Bldg., Toronto.

Gentlemen:

I hereby make application for .... shares of the Capital Stock of SPLIT LAKE GOLD MINES LIMITED, (4,000,000 shares) at 40 cents per share.

Enclosed please find the sum of .... Dollars

Dated this .... day of ...., 193...

Kindly issue and mail these shares to:

Name ....

Address ....

Witness ....

All Moneys to be paid to the Company.

Investing for the Next Five Years

Construction Company Shares Offer Gains in Deferred Demand

Investment Survey of Durable Goods Fields—First Hit by Depression But Now Improving

Among the most severely depressed industries have been those producing durable goods, due largely to deferment of expenditures in hard times.

Shares of those durable goods companies that also have some diversification of production offer comparatively low returns at present. And in shares of other capital goods firms there are substantial risks. If full recovery is coming before 1941, however, the durable goods industries should get more than just a proportionate share in the extension of recovery. So the investor may reap substantial income and capital profits by sacrificing present income.

Shares of steel and construction companies may only stand to benefit indirectly from inflationary influences but, in the event of war, might provide some protection of capital.

This is the fourth article of the series "Investing for the Next Five Years."

First into a depression and last out of a depression is a description that might be applied to most companies dealing in capital goods.

When business starts on the decline presaging a subnormal period of inactivity, there is a tightening of belts and the most effective way of conserving resources is through limiting expenditures on capital account.

Plans for the extension of a plant are postponed; railways repair old equipment to handle the smaller volume of traffic; public building is deferred to meet other and more urgent expenditures; the individual delays his plans for home building until times are better; and the manufacturer puts off the purchase of more efficient and economical equipment until sales pick up.

Deferred Demand

Though capital outlay is reduced to an absolute minimum, there is built up in a time of depression, such as has been experienced in the last five years, a tremendous volume of deferred buying. Deterioration and obsolescence take their toll and the way is prepared for heavy buying of capital goods when business is on the upgrade.

Such a set of conditions exists in Canada today. Though there has been a relatively substantial amount of capital spent on durable goods in the last year and a half, the big buying is still to come.

No one can say definitely just when this deferred buying power will get into its full stride. Nearly everyone can say that when the buying takes place those companies in this field stand to make large profits.

In considering investments in the next five years, therefore, the investor should give close study to the possibilities of the companies engaged in supplying iron and steel, building materials, machinery, equipment and other forms of durable goods.

Basic Considerations

Looking at this group as a possible media for investment, certain basic factors stand out:

1. The company with no bonds or bank loans is in the best position to be the first to show a return to shareholders. Experience of recent years shows that the one-stock company has fared the best; fixed charges frequently proving too great a drain on resources.

2. Adequate working capital is essential if a company is to take full advantage of the expected increase in purchase of durable goods. The composition of working capital also should be examined, as a favorable balance does not always indicate liquidity.

3. The record of management plays an important part in considering the merits of a company handling durable goods.

4. The dividend record should be considered. The nature of the business makes it imperative that resources be built up in good years to tide over the lean years and the paying out of all earnings in the form of dividends foreshadows trouble later on.

Investment Flexibility

Before examining some of the major sections of the durable goods industry, it is important to bear in mind that an investment policy should be flexible. Stocks and bonds become obsolete or deteriorate just like machinery, and it is necessary to examine them at regular intervals in order to see if changes are necessary or advisable.

In the case of the durable goods companies the business available fluctuates between such extremes, that, in the main, they should be regarded as a short term investment. For example, a person dependent upon regular income cannot afford to hold this group of stocks permanently, nor can the investor who seeks safety of principal.

It might be said that some companies in this group do not experience much wider business swing than those in other fields of activity, but the following table on the iron and steel section, covering five prosperous and five lean years, shows that there is a time to get in and a time to get out:

Indices of Iron and Steel
(1926 equals 100)

	—Production—		—Iron and Steel—	
Year	Steel	Pig Iron	Imports	Security Index
1925 ...	95.2	77.3	73.4	87.6
1926 ...	100.0	100.0	100.0	100.0
1927 ...	116.5	95.8	116.6	161.0
1928 ...	160.1	141.3	156.9	251.3
1929 ...	178.1	148.7	164.3	312.1
1930 ...	128.6	101.2	111.1	194.1
1931 ...	85.2	63.0	59.9	108.9
1932 ...	44.2	19.9	35.4	59.8
1933 ...	54.2	32.2	32.0	72.4
1934 ...	98.0	55.6	49.0	107.4

Hopes For Future

This record is not inferior to many other trade groups, but it does show very sharp swings in security values. However, the investor should bear in mind that in the next few years the durable goods companies are expected to earn larger profits and restore or increase dividends, all of which may be reflected in higher market values for stocks.

The durable or capital goods industry can be divided into four major groups; building, engineering projects, machinery and railways. In many respects they interlock, but it is sometimes the case that one section will go ahead faster than others.

Building chiefly comprises the construction of new homes and repairs to existing dwellings. The number and value of building permits issued in the past year indicates an increasing amount of capital being supplied to new homes or on repair work. Deferred building runs into many millions and with capital borrowing made easier and cheaper, together with growing confidence in the business outlook, there should be experienced a marked improvement over the next few years.

Types to Benefit

Companies engaged in supplying building materials such as lumber, bricks, cement, roofing materials, etc., stand to benefit from this type of recovery. Among others are Building Products, a strongly-knit organization which has shown a marked pick-up in earnings over the last two years; Gypsum, Lime and Alabastine (Canada), which in the last four years has had difficulty in covering bond interest after depreciation, but of late has recorded a steady improvement in earnings; Canada Cement, which, although burdened with heavy fixed charges, holds speculative possibilities to the investor; National Sewer Pipe which is in a powerful liquid position.

Many engineering projects have been held up in the last five years awaiting better times and cheaper money. In this classification are buildings, bridges, new plants, etc. Some have already been initiated, while a number of others are at the point where work will be undertaken shortly.

Among the companies that will share in the largescale type of construction work are Dominion Bridge, Foundation Co., Hamilton Bridge, Robert Mitchell, Page-Hersey and Steel of Canada.

Dominion Bridge has already received important contracts, notably the structural steel contracts for plant extension by International Nickel Co., and the new Ontario Paper Co. plant in Quebec.

For the investor to get the maximum benefit from any revival of business for firms producing durable goods, it is necessary to invest in equities. On the other hand, it may be best not to go into the most risky equities, even though some of these may eventually return highest capital appreciation.

Among the leading dividend-paying shares are these:

Dividend-Paying Stocks

			—Per Share—		
	Price $	Div. $	Y'ld %	Earn. $	Wkg. Cap. $
Steel of Can., c.	62	*1.75	2.8	4.21	36.91
C. Gen. Elec., c.	155	3.00	2.9	3.54	52.71
C. W'stnghse, c.	62	2.00	3.2	1.58	18.72
Dom. Bridge, c.	37	1.20	3.2	.46	14.06
Page-Hersey, c.	89	3.00	3.4	3.68	32.89
Bldg. Prods., A	35	1.25	3.6	1.27	16.58

*Excluding payment of $1.42½ a share as participation.

One of the most important characteristics of these shares is that the companies combine durable products with some diversification in consumption and semi-consumption lines. All have had sufficient volume in normal replacement lines, therefore, to show earnings and pay dividends even in the depression period.

Companies' Possibilities

Steel Co. of Canada will be paying additions to the regular $1.75 dividend on the common provided earnings are maintained. And in recovery it is capable of increasing income from its stable lines as well as from heavier steel products.

Canadian General Electric and Canadian Westinghouse can both improve their earnings sharply, if demand for heavy electrical equipment and appliances revives. An indication that this may be coming is the increasing use of electric power.

Dominion Bridge has large contracts on hand and in sight and meanwhile is able to maintain dividend payments.

Page-Hersey's dividend has been reduced from $5 to $3 a share, but revival in building, and replacement of plumbing and heating equipment, would improve the company's earnings. And increased dividends could be paid without difficulty if such improved earnings appear.

Building Products class A stock represents an investment in the supply end of the capital goods industry. There is still considerable room for improvement in the company's earnings and dividends.

Non-paying Stocks

Without going into the riskiest equities, the investor who is willing and able to go without returns, in the hope of substantial income in the future or of capital appreciation, might do well to investigate such shares as these:

Construction Supply Shares

		—Per share—		
	Price $	Earn. $	Arrears $	Wk. cap. $
Nat. Sewer Pipe, A.	17	...	5.40	32.88
Dominion Tar, pfd..	74	4.37	26.00	40.03
Can. Cement, pfd. ..	66	.19	26.25	20.00
Sherwin-Wms., com.	16	...	....	*18.13
Robt. Mitchell, com.	6½	...	....	4.30
Gypsum, Lime, com.	6	...	....	1.50
Canada Wire, A ...	26	.25	....	*49.91
Asbestos Corp., com.	27	.12	....	5.43

*After deducting preferred arrears.

The first three stocks mentioned are preferred shares, but carry an equity interest in their arrears of dividends and depreciated values. The other five obviously stand to benefit from any revival of building.

Earnings have been improving, or losses declining, for all eight of these companies. Records of past earnings indicate that all are capable of paying returns ranging above 10 per cent on present market values of the shares. Needless to say, if former dividend rates are resumed, the shares will be of greater value.

Big Possibilities

Indicative of the large earning power that has yet to be recovered in the durable goods industries, 1929 profits are shown for the following group of stocks:

		—Per share—		
	Price $	Arrears $	Wk. cap. $	Earn. 1929 $
Foundation Co., c..	16	....	9.22	2.86
Ham. Bridge, pfd. ..	36	24.38	24.67	24.59
Eng. Electric, A ...	21	....	15.24	7.52
Candn. Car, pfd. ..	13	4.38	5.66	4.51
Nat. Steel Car, c...	14	....	4.10	2.78

Foundation Co. through its marine and engineering work has been able to maintain fairly satisfactory earnings in the depression, although 1935 was not a good year. The company now has two large contracts in Halifax, the general contract for Ontario Paper Co.'s new plant and other important jobs. The price of the shares indicates that the market considers dividends a possibility.

Hamilton Bridge has cut its losses and indications of several large structural steel contracts promise to bring benefits. The preferred is so far in arrears of dividends, and yet has had such large earnings in boom periods, as to offer speculative attractions.

English Electric is trying to diversify so that when the next depression comes it will have more than heavy equipment business with which to maintain earnings.

Steel and Rolling Stock

Canadian Car preferred and National Steel Car common have depended in the past on orders for railway rolling stock for the greater part of earnings. The amount of business had dwindled practically to nothing when last year the Dominion government decided to aid the railways in buying equipment. These expenditures covering a period of 24 months to March 31, 1937, have been placed:

Canadian Car	$3,594,000
National Steel Car	2,923,000

This work will hardly result in earnings for the companies that would allow resumption of dividends. However, even though large orders are not in sight, the railways are sure to require increasingly large replacements as time goes on.

Possible Influences

Some recovery of earnings from the durable products of all these companies has already occurred. Some, however, have merely been able to reduce losses. In all cases, there is scope for greatly increased earnings, if, as and when deferred demand and the forces of obsolescence and deterioration become effective in stimulating demand for new durable equipment.

While there is room for debate as to whether low interest rates will be effective in encouraging new construction in Canada, certainly there is no doubt that cheap money cannot hurt these companies.

As to the influence of inflationary trends and rising commodity prices, there may be no direct benefit to these durable goods companies. However, to the extent that higher prices raise the general income of the country and make more money available for capital expenditures, these firms would benefit.

Finally, there is the possibility of war and increased arms expenditures within the next five years. While the community as a whole and these companies too might lose in actual wealth in case of war, for a brief period at least, investments in steel might tend to protect the investor's capital.

Market quotations for some of these durable goods shares, particularly those that are not paying dividends, are already high enough to indicate that they have been bought on expectations of better things within five years. If there is to be full recovery, however, the durable goods industries should have much greater recovery than has yet developed for them. And in such event, inclusion of some of these shares in a diversified investment portfolio may be well worth the risks of the next five years.

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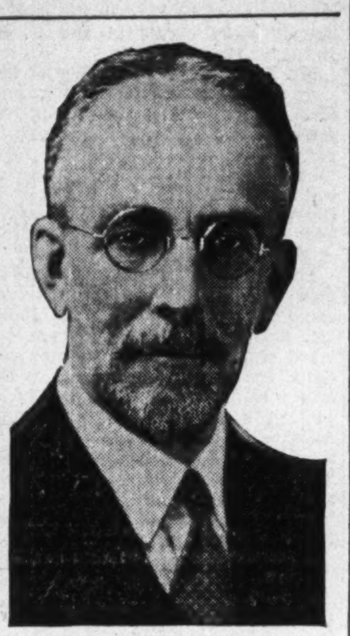
Ex-Parson May be Premier If B. C. Vote Favors C. C. F.

Movement at Coast Gains Strength Under Robert Connell

By CHARLES L. SHAW



ROBERT CONNELL

VANCOUVER.—When the votes were counted in the last provincial election in British Columbia it was discovered that, while the Liberals had swept into power with an overwhelming majority of seats, the numerical strength of the Co-operative Commonwealth Federation was so great that it might very easily have been the party to form the next government. Had the Conservatives shown more unity and provided stronger opposition to the Liberals, the C.C.F. might have slipped into power between the two old-line groups.

Today, more than two and a half years after the election the C.C.F. is still strong in British Columbia and indications are that it is growing steadily stronger. Unless the scattered forces of Conservatives, so badly shattered in the last election, are whipped together to present a solid front, the next campaign, as in 1933, will find the C.C.F. providing the chief opposition to the Pattullo administration; and unless the Liberals mend their political fences and make more progress than they have in the past toward achieving their objectives, B. C. may have a C.C.F. government when the smoke of battle clears.

Have Internal Trouble

That being the case it is not too early to make a survey of what the C.C.F. stands for in British Columbia. Before proceeding with the analysis, it should be mentioned that, like all other political alliances in this province, the C.C.F.'s worst foe is the threat of internal dissension. A definite split occurred in the party during the recent session of the legislature when young Harold Winch, one of the more radical members of the group, and party whip, was publicly "spanked" by his leader, Robert Connell. Mr. Connell made it clear that while the C.C.F. stood for many things anathema to the Tories and Liberals, it was not prepared to go in for the drastic reforms advocated by Mr. Winch and some of his followers.

Another rumpus in the party has developed over control of the C.C.F. weekly, "The Commonwealth," but unless there are further unexpected developments during the next few months, Mr. Connell seems to have the confidence of his party as no other single figure. He is definitely slated for the premiership if the C.C.F. wins.

No one who knew the Rev. Robert Connell, the tall, red-bearded rector of St. Saviour's Anglican Church, Victoria West, fifteen years ago would have hazarded the guess that today he would be one of the province's political leaders. He was distinguished then as a pulpit orator who, however, kept strictly out of politics.

Geologist and Naturalist

His hobby was geology and it is a hobby that still claims most of his leisure hours. Every week he would wander over the hills surrounding Victoria with his hammer, tapping rocks and making notations. He was one of Vancouver Island's leading amateur naturalists, too, and every Saturday in the columns of the Victoria Times appeared his articles on various discoveries he had made—a new species of moss or wildflower, a strange flowering shrub. And he wrote long geological pieces too, phrased in fascinating and excellent English, about the rock formations in Esquimalt and the history of pot-holes in the Saanich hills, old water courses and similar occurrences of nature. Politics was to him utterly taboo.

When he resigned from his pulpit he announced he would give all his time to geology and natural history. But he had not foreseen the trend of public events and the coming of world depression. He began to take greater interest in the affairs of his province. He began to attend political meetings. He actually made a speech—and after that, of course, politics claimed him for its own, even though now his manner and his outlook are very different from those of the full-time professional politician. In the provincial election Mr. Connell was a C.C.F. candidate.

Disappointing at First

By the great body of voters in Victoria Mr. Connell was known as one of those estimable persons who knew nothing of politics or the ways of politicians but who had a zeal to serve his province by presenting the average man's view in the legislature. His reputation as churchman, preacher and naturalist also seemed in his favor. He was given a tremendous vote.

His first appearance in the house was rather disappointing. His ideas seemed all right, but he lacked the fire and spirit of leadership that had been expected of him; but as his experience in politics advanced his strength increased. His statements are watched for and listened to now as the official pronouncements of one of the coast province's strongest political groups.

Summarizing the policy of the C.C.F. in British Columbia recently, Mr. Connell stated that the party's aims included:

Dedication to honest government and abolition of the spoils system;

Removal of the civil service from poliitcal patronage;

Commission control of all highways and transportation;

Abolition of lobbying;

Honest finance and honest meeting of obligations, with conference and compounding with creditors, if that is found necessary;

Increase of income tax in the higher brackets;

Control of monopolies and public franchises through a public utilities commission;

Extension of education and health services.

No Link With "Reds"

Mr. Connell wants it to be known very emphatically that he and his party will have no truck with Communists. "We are not attached to the school of Marx even though you will hear many people say we are," he said. "There cannot be any bond of sympthy between the C.C.F. and the Communists. There is a gulf between us that nothing can bridge. We believe in constitutional practice, in Confederation and in democracy. Anyone who believes differently should get out."

If the C.C.F. ever should take the reins of government in British Columbia it will not be a government of fanatics. Under Connell it will pursue a moderate course. "It is time we got out of the clouds and kept our feet on solid ground," he said, obviously referring to some of the left wingers in his following.

If the C.C.F. had withdrawn its support from the health insurance bill at the last session it might have wrecked the Pattullo government; but it was not in the nature of Mr. Connell or in the policy of his party to do any wrecking. "I am proud that we supported the government," said Connell. "We would cheerfully do it again."

But Mr. Connell is not the sort of man to be easily persuaded into a different course once his mind is made up. When he voted with the government it wasn't because he had been cajoled into co-operation but because he personally thought the issue was worth support. When he frankly disagrees with the government he will say so and vote so, regardless of the consequences. And he is definitely the boss of his party.

"I haven't the slightest intention of resigning. Only a complete breakdown would force me out," he says.

U. S. Advertising Moves Up in April

From Our Own Correspondent

MONTREAL. — All major classifications of newspaper advertising linage in 52 American cities, as reported by Media Records Inc., and published in Editor and Publisher, continued through April, the strength they had manifested in February and March, making larger gains over the same month in 1935, and rising to a new high for the year. The April level in total advertising was almost equal to that of last December, the best record of the depression period.

Salmon Treaty Still Far From Settlement

From Our Own Correspondent

VANCOUVER.—A rather remote possibility exists that the United States Senate may ratify the long pending sockeye salmon treaty between the republic and Canada.

The question has been awaiting settlement for a generation. So far as Canada is concerned, the treaty is satisfactory and has been approved by the federal government. But until the American senators ratified it the measure has been inoperative.

A couple of years ago passage of the treaty seemed assured, but eleventh-hour opposition of some Washington state packers was sufficient to forestall action. During the last few weeks there have been several conferences of British Columbia and Washington fishing interests and general agreement was reached.

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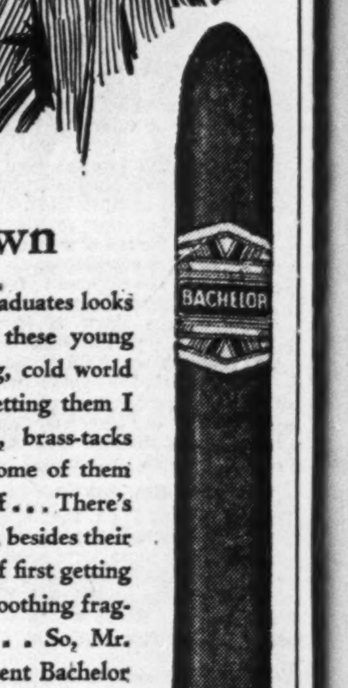
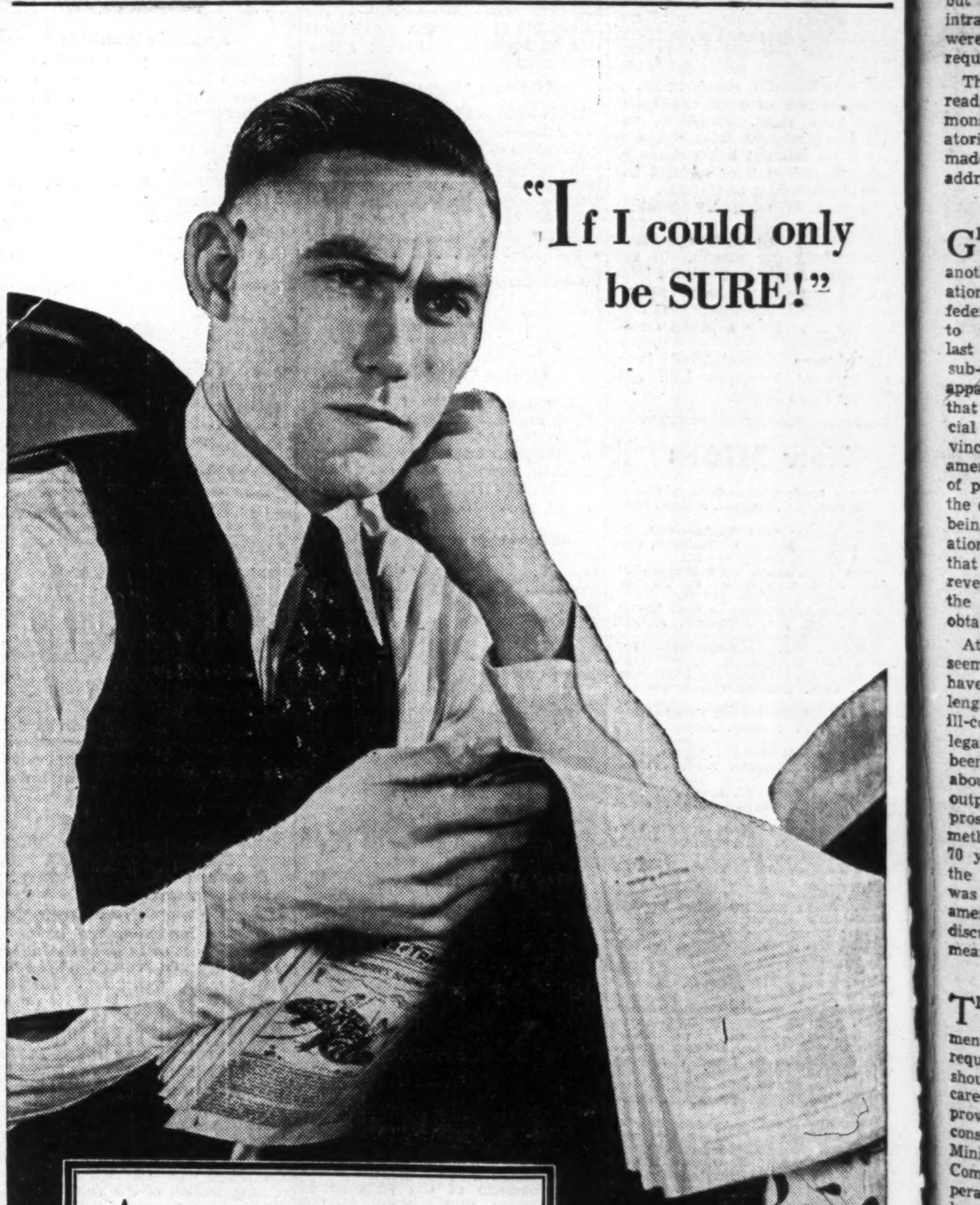


Cap and Gown

This year's crop of college graduates looks fine . . . Pretty soon now these young fellows will be out in the big, cold world looking for jobs . . . And getting them I hope . . . Then their real, brass-tacks education begins . . . And some of them may find the course pretty stiff . . . There's one thing I envy them though, besides their youth . . . And that's the joy of first getting acquainted with the mellow, soothing fragrance of Bachelor Cigars . . . So, Mr. Bachelor of Arts, let me present Bachelor Cigars—and long life to both of you, say I.

"IT'S GOOD TO GET BACK TO A 10c CIGAR"

WILSON'S **BACHELOR** Cigar
10¢ 100% Havana Filler



"If I could only be SURE!"

Arthur Wilson *needs* that job in the next town, knows he's the man to fill it. But does he dare risk the costly journey with so little money left? Perhaps the job will be filled when he gets there; perhaps the boss will be away . . .

Too bad there isn't someone to remind Arthur how easy and inexpensive it is to make an appointment by Long Distance! Your telephone is always ready to help you solve your problems, little or big. Think of Long Distance *first!* The low cost will surprise you.

●On *both* "Anyone" and "Person-to-Person" calls, low Night rates apply every evening after 7, and ALL DAY SUNDAY.

THE BELL TELEPHONE COMPANY OF CANADA